



ALAMOS GOLD INC.

A BRIGHTER  
FUTURE

SUSTAINABILITY REPORT 2016

# ALAMOS AT-A-GLANCE

**2003**

Alamos Gold is formed through the merger of National Gold and Alamos Minerals



**392,000**  
ounces of gold

a company record – at all-in sustaining costs of \$1,010 per ounce, well below 2015's AISC of \$1,091

**2005**

Production begins at the Mulatos mine



**400,000 – 430,000**  
ounces of gold

at AISC of \$940 (2017 production guidance)

**2010**


Acquires Ağı Dağı, Kirazlı and Çamyurt development properties in Turkey



**1,324**  
employees

employed by Alamos in Canada, Mexico, Turkey, and the United States (not including contractors)



 Operating mines  
 Development properties

# 2013

Acquires Quartz Mountain (Oregon, USA) and Esperanza (Morelos, Mexico) development properties

# 2015

Merges with AuRico Gold Inc., gaining the Young-Davidson mine (Ontario, Canada) and the El Chanate mine (Sonora, Mexico) and development properties in Canada

# 2016

Acquires Carlisle Goldfields Limited, Canada

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# ABOUT THIS REPORT

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Alamos is a Canadian-based gold producer with three operating mines, one in Canada and two in Mexico, and a strong portfolio of exploration and development projects in Mexico, Turkey, Canada and the USA. We have an established track record of financial performance and low-cost production, and a company-wide commitment to social responsibility and environmental stewardship.

Alamos is proud to present its third annual Sustainability Report, covering the period from January 1 through December 31, 2016.

This report primarily discusses our achievements at our operating mines: the Mulatos and El Chanate mines in Sonora, Mexico, and the Young-Davidson mine in Ontario, Canada. Data from our exploration and development projects including projects in Turkey, Mexico, and the USA, are only included when appropriate. We do not report on the environmental and broader sustainability aspects of our Canadian head office.

This report is based on data collected in 2016, and does not re-state information provided in earlier reports. Apart from the newly acquired properties, there are no significant changes from previous reporting periods in the scope, boundary, or measurement methods applied. No external assurance was sought in the preparation of this report. For any questions regarding this report or its contents please contact us at [info@alamosgold.com](mailto:info@alamosgold.com).

## OUR STAKEHOLDERS

This report is written for our key stakeholders: employees, shareholders and business partners, the host governments and the communities in which we operate. The identification of key stakeholders is an ongoing process, and we strive to maintain open and constructive ongoing dialogue with each of our stakeholder groups.

Alamos senior management meets frequently with stakeholders. We value their input and apply it to the development and refinement of our sustainability practices.

Employees and contractors are encouraged to provide feedback to our Toronto head office. We maintain an anonymous reporting system, which is available for any employee or contractor with concerns regarding unethical conduct, corruption, or non-compliance with laws or policies.

Stakeholders or the general public can contact the Directors or Executive Officers regarding our sustainability performance, through the Alamos head office, at the Annual General Meeting, or by e-mail at [info@alamosgold.com](mailto:info@alamosgold.com).

# MESSAGE FROM THE PRESIDENT AND CEO



In 2016, Alamos marked 14 years in business, and our first full year as a multi-national, multi-mine company with a strong growth pipeline. As we mature as a company, we are building a reputation for safe, sustainable mining and a commitment to communities.

For the precious metals market, 2016 was a year of volatility. The price of an ounce of gold rose from approximately \$1,080 in January to over \$1,300 in July, only to fall back to approximately \$1,130 in December. Through this turbulence, Alamos had a strong year of results – in gold production, development milestones, and sustainability.

We achieved our 2016 targets for production and costs: Young-Davidson, our new cornerstone mine, produced a record of 170,000 ounces of gold. Our Mexican operations delivered strong results, with

production of 154,000 ounces from the Mulatos mine and 68,000 ounces of gold production at the El Chanate mine. Our total production for the year was 392,000 ounces of gold – a company record – at all-in sustaining costs of \$1,010 per ounce, well below all-in sustaining costs of \$1,091 in 2015.

Our development projects made real progress. At the La Yaqui project in Mexico, our Environmental Impact Assessment received approval to proceed with Phase I, and we initiated construction of the project in December. In Turkey, we received the Forestry Permit for the Kirazlı Gold Project, a significant milestone that helped to solidify our international presence. Early in the year, we consolidated our ownership of the Lynn Lake Gold Project in Manitoba by completing the acquisition of Carlisle Goldfields, and we began a feasibility study for the project.

A major initiative in 2016 was the development of the Alamos Sustainability Framework. This is the first step in creating a consistent and corporate-wide sustainability culture across all our operations and projects. It establishes the direction and related policies, strategic objectives and targets, as well as the management systems that we will need as our enterprise expands to include operating mines in Canada, Mexico, Turkey and the United States. The Sustainability Framework puts us on the path to a comprehensive corporate sustainability management system. This will ensure our sustainability performance in the areas of Health and Safety, Security, Environment, Community Engagement and Development, and deliver a net benefit for those communities where we operate.

I would like to commend our site teams for their remarkable performance over the year: El Chanate reached three million hours worked without a single lost time incident, and early in 2016, Mulatos reached a new standard of four million hours worked without a lost time accident. Unfortunately, we also experienced some setbacks at Mulatos. The lost time injuries that were experienced in 2016 are strong reminders that we need to address safety and health with continued and sustained vigour. Over 2016, our Home Safe Every Day program for safety leaders was refined and rolled out across the Mulatos mine. It is now established at all of our mines and will continue to be rolled out across the entire organization in 2017 and beyond.

Every Alamos operation maintains positive and collaborative relationships with their local communities, which is reflected in the awards that we continue to receive.

In 2016, the Mulatos mine was recognized as a *Socially Responsible Mining Company* by CEMEFI, the Mexican Center for Philanthropy, for the eighth consecutive year. El Chanate also achieved this status, in addition to being awarded for having *Best Practices in Social Responsibility*. In addition they were awarded the *Ethics and Values* award by the Confederation of Industrial Commerce.

## A major initiative in 2016 was the development of the Alamos Sustainability Framework.

At the Mulatos mine, our plans for expansion directly affect the local *ejido* (community land-holders). In recent months and years we have been in frequent communication and consultation with the *ejido* members. Our transparency and close engagement was rewarded with their trust. In 2016, a critical land access agreement was signed. They will be assisted in relocation and resettlement, and we will be able to pursue our plans and work with the community for years to come.

Looking forward, I am pleased, not only with our expansion and results, but in the strength of commitment to community and sustainability that I see throughout Alamos. The Sustainability Framework will be followed by a Sustainability Policy that includes sustainability as a factor in every business decision, and then by a company-wide Sustainability Management System.

I would like to express my gratitude to everyone, at every Alamos mine, development project and office, and of course the Board of Directors, for their dedication to safe, sustainable development, and long-term sustainable value for our stakeholders.



John A. McCluskey  
President & CEO

# OUR VALUES

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Our core values drive our conduct and our expectations for our employees and contractors in every country and community in which we operate.

## WE

- ▶ Consider health and safety before all else
- ▶ Respect the environment by actively seeking opportunities for positive impact
- ▶ Collaborate, engage and respect our communities

## WE

- ▶ Take pride in what we do
- ▶ Instill confidence in others
- ▶ Exude positive energy, attitude, and outlook

## WE

- ▶ Live our values and lead by example
- ▶ Share and collaborate
- ▶ Think globally
- ▶ Treat all fairly
- ▶ Make good decisions

## WE

- ▶ Always seek continuous improvement
- ▶ Are adaptable and flexible
- ▶ Listen to our stakeholders
- ▶ Guide others to positive results



**WE**

- ▶ Listen with purpose
- ▶ Actively seek others' perspectives
- ▶ Communicate decisions
- ▶ Own collective decisions



**WE**

- ▶ Build trusting relationships at all levels
- ▶ Demonstrate mutual respect
- ▶ Create a safe environment to “tell it as it is”

# COMMITTED TO SUSTAINABILITY

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Since our inception, we have embraced principles of sustainable development in all aspects of business, in each of the jurisdictions in which we conduct activities. The guiding principle of sustainable development is to meet the needs of the present without compromising the ability of future generations to meet their own needs.\* Our principles and objectives, which were outlined in our first Annual Sustainability Report in 2013, remain relevant for 2016.

\* World Commission on Environment and Development. Our Common Future. Oxford University Press, 1987

## OUR COMMITMENTS

- ▶ **Exercise vigilance in all phases of the mining process** so as to protect life, health and the environment, and seek ways to minimize our environmental footprint within acceptable cost. We will meet, and where possible exceed, regulatory requirements in our environmental performance.
- ▶ **Design, construct, operate and close facilities** in ways that are based on the efficient and economic use of energy and materials and the protection of the environment, and that comply with applicable laws and international guidelines. Reclamation and remediation objectives will be factored into decision-making through all phases of the mine life cycle.
- ▶ **Provide the necessary training, equipment and systems** to our employees and contractors in order to facilitate their commitment and accountability to the Alamos Sustainability Policy, and enhance their capabilities in its implementation, including through the use of integrated systems to manage environmental and sustainability risks.
- ▶ **Use the best technologies** to continuously improve the safe, efficient use of resources, processes and materials.
- ▶ **Define strategies** for facilitating meaningful engagement with host communities in a spirit of honesty, accountability, integrity and legality.
- ▶ **Work to understand the priorities and cultures** of the communities in which we conduct our operations, so as to effectively support appropriate community development programs that provide benefits lasting beyond the operating life of our mines.
- ▶ **Seek to maximize employment, business and economic opportunities** for local communities from our existing operations and new projects. Emphasize employment opportunities for the local workforce by the provision of education and training consistent with the needs of the Company. Purchase from local communities where quality and technical factors permit.
- ▶ **Conduct all of our activities in accordance with accepted standards** in the protection and promotion of human rights, respecting the culture, customs and values of the Company's host communities.
- ▶ **Conduct periodic monitoring and audits** to ensure compliance with the Alamos Sustainability Policy, as well as all relevant legislation, guidelines and standards, and to produce an annual report.
- ▶ **Regularly prepare, review and update** site-specific environmental and sustainability plans including consultation with local communities and regulators, specifically including an assessment of potential risks.

We continually refine these sustainability objectives based on industry best practices, stakeholder feedback, and relevant laws and policies of government and NGO research.



## The Alamos Sustainability Framework

The Alamos Sustainability Framework consolidates our various sustainability related policies and practices into a single, principled, comprehensive sustainability framework. This framework is comprised of four areas of focus: People; Community and Stakeholder Engagement; Environment; and Values and Governance. The framework was developed by our Technical and Sustainability Committee, who are responsible for monitoring our overall sustainability performance. At each site, these policies are overseen by site management. Our mission is to be recognized among our peer group as a leader in sustainability.

In 2016, following our merger, we undertook a comprehensive review of our corporate sustainability strategy and approach, through the lens of a multi-operation company with growth opportunities in international jurisdictions.

Following a first principles approach, and holding to our Core Values, we created a practical and adaptable Alamos Sustainability Management

Framework that will ultimately apply across all aspects of our business. Through 2017 and beyond, we will continue to advance our new sustainability strategy and management framework.

## GRI Declaration

This report follows the requirements of the Global Reporting Initiative (GRI 4.0). This year's report is written in accordance to the G4 Core reporting option. The GRI is an independent institution that has developed voluntary guidelines for sustainability reporting. We believe that the GRI reporting guidelines help us to maintain a high standard of transparency, clarity and comparability, and that applying GRI standards demonstrates our commitment to transparent reporting, especially in those categories that are most important to our stakeholders. Under the G4 guidelines, companies must focus their reporting on topics that are material to them and their stakeholders. More information on the framework can be found on the GRI website. A GRI Index can be found at the back of this report.

## ALAMOS SUSTAINABILITY MANAGEMENT FRAMEWORK



### COLLECTIVE BARGAINING AND FREEDOM OF ASSOCIATION

All Alamos workers enjoy the right to freedom of association as provided by applicable labour law. Our mines are not unionized, but we do not believe that the right to exercise freedom of association and collective bargaining is at risk at any Alamos location.

### COMPLIANCE WITH LAWS AND REGULATIONS

In 2016, there were no legal actions taken against the Company for anti-competitive behaviour, anti-trust, and monopoly practices, and no form of non-monetary sanctions was taken against any of our mines. No significant fines or non-monetary sanctions were levied for non-compliance with laws and regulations.

### ANONYMOUS REPORTING

Our Code of Business Conduct and Ethics incorporates leading ethical practices including an anonymous reporting system that includes provisions allowing any employee to communicate a concern or complaint confidentially and anonymously, with the expectation of a timely response and the assurance that there will be no retribution or negative consequences. Employees have three options to communicate concerns securely and anonymously. All employees have been informed of the system, and the channels for communicating concerns are visibly posted at all operations and offices and on our website.



**1,380**  
total hours of training

At every Alamos mine, employees are given comprehensive training in human rights and human rights policies.

**TABLE 1** EMPLOYEE TRAINING ON HUMAN RIGHTS

	Young-Davidson	El Chanate	Mulatos	Turkey	Toronto
Total hours of training	480	N/A	870	0	30
Percentage of the workforce receiving training	80%	100%	94%	All employees receive copies of Code of Business Conduct and Ethics Policy, and Anti-Bribery and Anti-Corruption Policy	Approx. 88% received AODA training; 100% received policies and programs

## HUMAN RIGHTS

Alamos respects internationally proclaimed human rights, and strives to ensure that we are not complicit in human rights abuses. There have been no incidents of discrimination, nor have there been any incidents of violations involving the rights of indigenous peoples, at any mine or project under Alamos management.

## WORKPLACE DIVERSITY, NON-DISCRIMINATION AND EQUITY

At Alamos, we do not discriminate on the basis of race, religion, ethnicity, national origin, colour, gender, age, sexual orientation, citizenship, veteran status, marital status, disability or any other grounds prohibited by law. Harassment, including sexual, physical and verbal, is prohibited. There were no incidents of discrimination reported to the company in 2016. We do not allow forced or compulsory labour.

Through fair and equal opportunity employment practices, Alamos' employees and their families have the tools and resources to give their children a prosperous future.





Exploitation of children in the workplace is harmful and reinforces a cycle of lack of education, poverty and unrealized potential. Respect for children is a universal ideal, enshrined in domestic laws of the countries where we operate and through international convention. Alamos will not knowingly employ a person who is under the legal age of employment. There were no incidents of child labour

reported to the Company in 2016, nor were any operations considered to have significant risk for incidents of child labour. Alamos condemns all use of child labour and works to ensure that through fair and equal opportunity employment practices, employees and their families have the tools and resources to give their children a prosperous future.

**TABLE 2 PERCENTAGE OF SECURITY PERSONNEL TRAINED IN RELEVANT HUMAN RIGHTS POLICIES OR PROCEDURES**

	Young-Davidson	El Chanate	Mulatos	Turkey	Lynn Lake	Toronto
Company security staff on site, as of December 31	9	2	12	4	N/A	N/A
Percentage of security personnel who received formal training for human rights issues and their application to security	75%	100%	100%	0%	N/A	N/A





## 2016 AWARDS AND ACHIEVEMENTS

### Health and Safety and Mine Rescue Awards

For the second consecutive year, the Young-Davidson mine rescue team won the Kirkland Lake district Mine Rescue competition. The team moved on to the Ontario provincial competition, where they placed third overall.

El Chanate received the *Safe Company Award* from the Mexican Labour Secretary in recognition of the site's safety and health management programs.

### CSR Award from Mexican Center for Philanthropy (CEMEFI)

Both the Mulatos and El Chanate mines continue to be recognized as *Socially Responsible Mining Companies* by CEMEFI, the Mexican Center for Philanthropy and the Alliance for Corporate Responsibility. El Chanate was further recognized by the Canadian Chamber of Commerce in Mexico, receiving the *Canadian Outstanding Business Award* (COBA) in the area of Social Responsibility for the site's involvement in developing a sewing workshop in the *Ejido 16 de Septiembre*.



# ALAMOS PROPERTIES

## OPERATING MINES



### Mulatos Mine

100% ownership



#### Location

Sonora, Mexico, in the Sierra Madre occidental mountain range

#### Description

Open-pit, heap-leach gold mine

#### Production

2016: 154,000 ounces of gold  
2017: 150,000 to 160,000 ounces of gold with AISC of \$890/ounce

#### Notes

Received approval of the EIA for La Yaqui Phase 1 and commenced construction activities  
Continued exploration efforts in the Mulatos district



### El Chanate Mine

100% ownership  
(acquired in 2015)



#### Location

Northwest of Sonora, Mexico, 280 km northwest of Hermosillo (170 km southwest of Tucson, Arizona)

#### Description

Open-pit, heap-leach gold mine

#### Production

2016: 68,000 ounces of gold  
2017: 50,000 to 60,000 ounces of gold at AISC of \$1,200

#### Notes

A consistent, reliable producer



### Young-Davidson Mine

100% ownership  
(acquired in 2015)



#### Location

Northern Ontario, Canada, 60 km west of Kirkland Lake

#### Description

Underground gold mine

#### Production

2016: 170,000 ounces of gold  
2017: 200,000 to 210,000 ounces of gold with AISC of \$775/ounce

#### Notes

Production increased to 6,000 tonnes per day by year-end 2016

## DEVELOPMENT PROPERTIES



### Lynn Lake

100% ownership  
(acquired in 2016)



#### Location

Manitoba, Canada

#### Description

Potential open pit(s) with central processing facility

#### Notes

Closed the acquisition of Carlisle Goldfields Limited in January and initiated a feasibility study for the Lynn Lake Gold Project

Continued environmental and geotechnical studies in support of feasibility and future permitting



### Quartz Mountain

100% ownership  
(acquired in 2013)



#### Location

Oregon, USA

#### Description

Advanced stage exploration project

#### Notes

Inferred mineral resource: 2.85 million ounces of gold  
8,000 metre drill program began in 2014



### Esperanza

100% ownership  
(acquired in 2013)



#### Location

Morelos, Mexico

#### Description

The project has an expected 6-year mine life with average production of 103,000 ounces of gold per year

#### Notes

In the permitting phase. Baseline is being compiled for the planned resubmission of the project's Environmental Impact Assessment (EIA)



### Turkish properties Ağı Dağı, Kirazlı, Çamyurt

100% ownership  
(acquired in 2010)



#### Location

Canakkale, Turkey

#### Description

A 2012 pre-feasibility study for Ağı Dağı and Kirazlı estimated an average annual production of 166,000 ounces of gold over a nine-year mine life, at cash costs of \$544/ounce

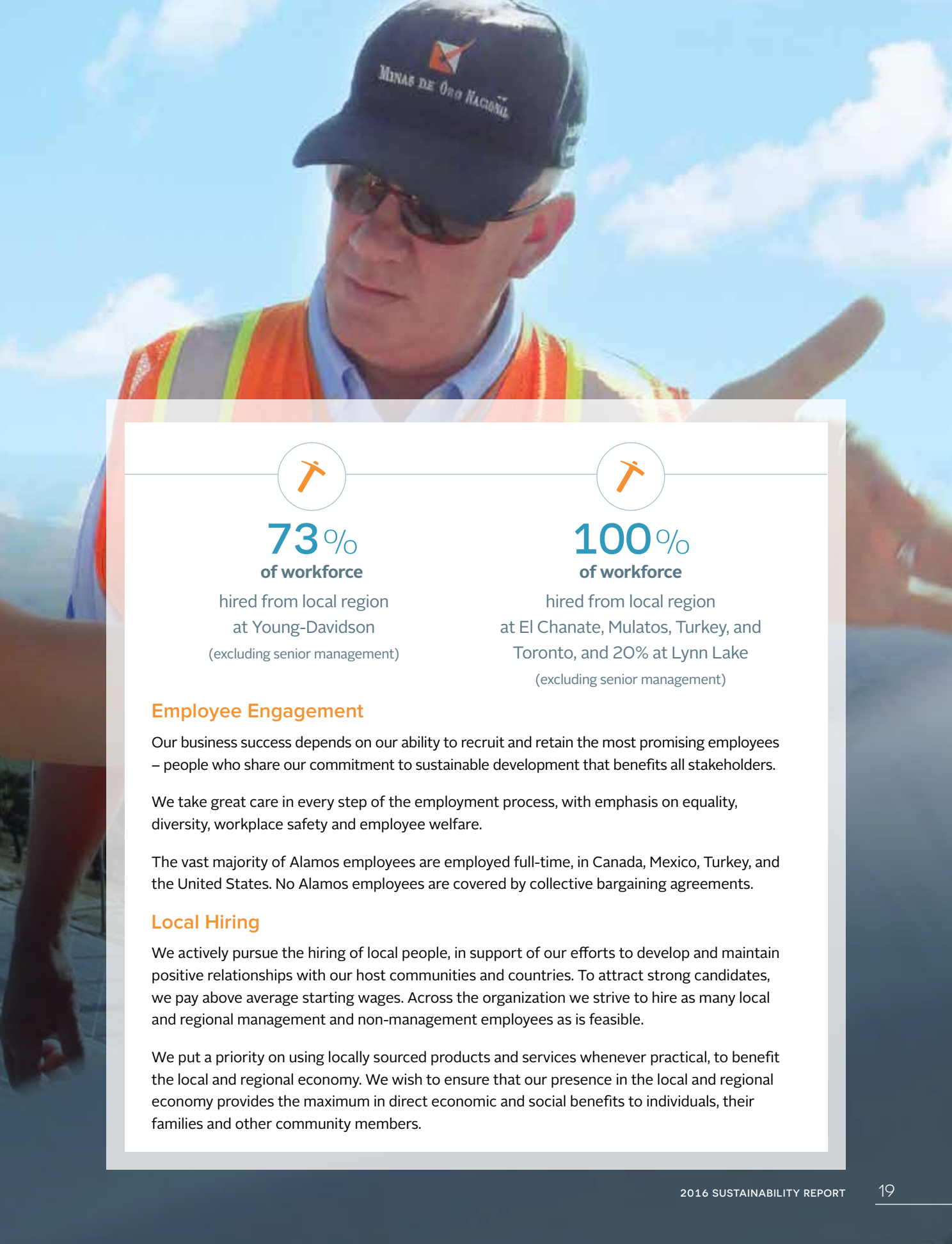
#### Notes

Environmental Impact Assessments (EIA) for the Kirazlı and Ağı Dağı projects have received approval from the Turkish Ministry of Environment and Urbanization. Within 18 months of approval of outstanding permits, Kirazlı is expected to begin production

# OUR PEOPLE

As Alamos has grown into a multi-mine company with operations and projects in Canada, Mexico, Turkey, and the USA, we have not lost sight of the fact that our people are our most valuable asset. We seek to recruit the best, and to train our employees for rewarding careers with Alamos.

We treat our people fairly and without discrimination, with full regard for their human rights. We know that our success depends on their efforts, and in return we strive to maintain a strong safety culture in which everyone is continually reminded of the importance of keeping themselves and their colleagues healthy and injury-free.



**73%**  
of workforce

hired from local region  
at Young-Davidson  
(excluding senior management)



**100%**  
of workforce

hired from local region  
at El Chanate, Mulatos, Turkey, and  
Toronto, and 20% at Lynn Lake  
(excluding senior management)

### Employee Engagement

Our business success depends on our ability to recruit and retain the most promising employees – people who share our commitment to sustainable development that benefits all stakeholders.

We take great care in every step of the employment process, with emphasis on equality, diversity, workplace safety and employee welfare.

The vast majority of Alamos employees are employed full-time, in Canada, Mexico, Turkey, and the United States. No Alamos employees are covered by collective bargaining agreements.

### Local Hiring

We actively pursue the hiring of local people, in support of our efforts to develop and maintain positive relationships with our host communities and countries. To attract strong candidates, we pay above average starting wages. Across the organization we strive to hire as many local and regional management and non-management employees as is feasible.

We put a priority on using locally sourced products and services whenever practical, to benefit the local and regional economy. We wish to ensure that our presence in the local and regional economy provides the maximum in direct economic and social benefits to individuals, their families and other community members.



**TABLE 3** STANDARD ENTRY LEVEL WAGE BY GENDER, COMPARED TO LOCAL MINIMUM WAGE (IN 2016; AMOUNTS IN LOCAL CURRENCIES)

	Young-Davidson (\$CAD/hr)	El Chanate (\$MXN/hr)	Mulatos (\$MXN/day)	Turkey (\$TRL/mth)	Lynn Lake (\$CAD/hr)	Toronto (\$CAD/hr)
Starting entry level wage (\$/hour) for males	\$18.00	–	\$243.73	TRL 1,391	\$30.00	\$33.00
Starting entry level wage (\$/hour) for females	\$19.01	–	\$243.73	TRL 3,925	\$24.00	\$22.00
Local minimum wage (same M/F)	\$11.40	\$73.04	\$73.04	TRL 1,300	\$11.00	\$11.40
Percentage above the local minimum wage (M/F)	36.7/40%	–	70%	6.5/67%	63/54%	65/40%

**TABLE 4** PERCENTAGE OF SENIOR MANAGEMENT AND WORKFORCE HIRED FROM LOCAL COMMUNITIES

	Young-Davidson	El Chanate	Mulatos	Turkey	Lynn Lake	Toronto
Percentage of workforce hired from the local region (excluding senior management)	73%	100%	100%	100%	20%	100%
Percentage of management team hired from the local region (excludes expats from Mulatos and El Chanate)	85%	99.6%	79%	100%	N/A	94%

Note: Management team is those at manager and superintendent level and above.



### Employee Well-Being and Quality of Life

We desire to be an employer of choice. At every one of our operations, we design our workplaces to improve overall health and well-being. At every one of our operations, we support a wide array of employee events, community service clubs and holiday celebrations. At Mulatos, we provide recreational facilities including a gym, basketball court and soccer field, an Internet cafe and audio-visual equipment.

### Performance Measurement

We believe an engaged workforce drives performance. For employees in Canada, the USA and Turkey, performance is measured annually. Performance is also measured annually for supervisors and above in Mexico.

Performance is measured against a set of regional and, for some, company wide annual objectives. Members of the respective Human Resources departments conduct training sessions on objective setting, self-assessments and performance evaluation. Annually, they conduct a quality audit on the performance management program itself.

### Skills Training

To support the economies of our local communities, we offer skills training to help community members acquire the qualifications for long term employment in the mining industry. We offer technical training as well as programs in language, literacy and life skills.



**TABLE 5** NUMBER AND RATE OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER BY AGE GROUP, GENDER AND REGION

	Young-Davidson	El Chanate	Mulatos	Turkey	Lynn Lake	Toronto
<b>By Age Group</b>						
<b>New hires in 2016</b>	<b>190</b>	<b>28</b>	<b>45</b>	<b>0</b>	<b>4</b>	<b>5</b>
New hires under 30	187	21	30	0	2	1
Employees leaving, under 30	24	8	26	0	1	2
New hires, 30-50	3	7	15	0	2	4
Employees leaving, 30-50	5	38	32	1	0	4
New hires, over 50	0	0	0	0	0	0
Employees leaving, over 50	1	4	1	0	0	0
<b>By Gender</b>						
New female employees	6	2	12	0	1	2
Female employees leaving	5	9	10	1	0	0
New male employees	184	26	33	0	3	3
Male employees leaving	25	45	49	0	1	2





In Lynn Lake, as part of the project development we initiated collaborative discussions with the local Indigenous community and government representatives to develop skills training programs with a mutually aligned goal of building a local mining workforce. As our development projects advance, we expect to expand our local training opportunities.

### Leadership Development

Our Home Safe Every Day (HSED) safety leadership program continues to be an integral component of our day-to-day safety performance. In 2016, the program was successfully brought to the Mulatos mine in an effort to improve the safety & health culture. We will continue to roll out this program across the entire organization in 2017 and beyond.

**TABLE 6 BENEFITS PROVIDED TO FULL-TIME EMPLOYEES VS. TEMPORARY OR PART-TIME EMPLOYEES**

	Young-Davidson	El Chanate	Mulatos	Turkey	Lynn Lake	Toronto
<b>Benefits Offered to the Majority of Full-time Employees</b>						
Life insurance	Yes	Yes	Yes	Yes	Yes	Yes
Health care (additional to Government-provided health care)	Yes	Yes	Yes	Yes	Yes	Yes
Disability/Invalidity coverage	Yes	N/A	N/A	No	Yes	Yes
Parental leave	Yes	Yes	Yes	Yes	Yes	Yes
Retirement provision	Yes	No	No	No	Yes	Yes
Stock ownership	Yes	Yes	No	Yes	Yes	Yes
<b>Benefits Offered to Temporary/Part-time Employees</b>						
Life insurance	Yes	Yes	Yes	Yes	Yes	Yes
Health care (additional to Government-provided health care)	Yes	Yes	Yes	Yes	Yes	Yes
Disability/Invalidity coverage	No	No	No	No	No	No
Parental leave	No	No	No	No	No	No
Retirement provision	No	No	No	No	No	No
Stock ownership	No	No	No	No	No	No

# WORKPLACE HEALTH AND SAFETY

We invest heavily in creating and maintaining a safe, healthy working environment at all our mines and development projects.

In 2016, the Mulatos and El Chanate mines broke all company safety records. Early in the year, Mulatos achieved a milestone of three million hours without a lost time incident, and by year end the El Chanate mine celebrated over three million hours – over two years – without a lost time incident. Unfortunately, across the organization we experienced four lost time injuries, which serves as a strong reminder that our efforts need to continuously improve.

## VISIBLE, FELT LEADERSHIP

Our overarching commitment to health and safety is to have all employees and contractors return “Home Safe Every Day.” In order to achieve this objective:

WE

- ▶ **Provide training, equipment and systems** to employees and contractors
- ▶ **Conduct safety leadership coaching programs** for frontline supervisors
- ▶ **Comply with all applicable health and safety regulations, laws and international guidelines**
- ▶ **Conduct periodic monitoring and audits** to ensure compliance with applicable legislation, guidelines and standards
- ▶ **Follow OHSAS 18001 parameters** to identify, minimize and manage health and safety risks in the workplace, and to set targets and measure results against those targets
- ▶ **Encourage employees and contractors** to continuously reduce health and safety risks; to take responsibility for their own health and safety, and that of their fellow workers
- ▶ **Ensure that all persons are appropriately informed** of the relevant health and safety policies and procedures through an induction prior to access to the Company's sites
- ▶ **Recognize, promote, and reward safety performance** and achievements, with programs and initiatives of encouragement and positive reinforcement

**TABLE 7** PERCENTAGE OF WORKFORCE REPRESENTED IN MANAGEMENT-WORKER HEALTH AND SAFETY COMMITTEES

	Young-Davidson	El Chanate	Mulatos	Turkey	Lynn Lake	Toronto
Does the site have a formal health and safety committee that helps monitor and advise on occupational safety programs with joint management/labour representation?	Yes	Yes	Yes	Yes	No	Yes
Levels at which the committees typically operate (e.g. site level, multi-facility, region, group or company level)	Site Level	Site Level	Site Level	Site Level	Site Level	Site Level

**TABLE 8** HEALTH AND SAFETY PERFORMANCE

	Young-Davidson	El Chanate	Mulatos
Total Worker Hours	1,459,259	1,596,789	3,401,592
Days worked without a Lost Time Injury (LTI)	303	738	131
Total Hours without a LTI	1,341,866	3,292,311	1,269,465
LTI Rate	0.176	0	0.137

## Health and Safety Governance

The Alamos Health and Safety Policy sets company-wide parameters, and each site has the flexibility to design specific policies and practices. The Technical and Sustainability Committee of the Board, supported by our Chief Operating Officer, monitors our performance and drives our ongoing sustainability strategy.

The Alamos Health and Safety Policy sets company-wide parameters, and each site has the flexibility to design specific policies and practices.



## TRAINING THE NEXT GENERATION OF SAFE MINERS

After 25 years in mining Randy McCooeye made a career change: he moved into safety training. It was a natural fit, he explains. “When I was a development miner, I was only interested in breaking rock. But still, I’d see things. I’d see the unsafe use of equipment and I’d stop and correct it.” In twelve years he progressed to his current position, Safety Risk Assessment Coordinator at the Young-Davidson mine.

“Home Safe (Every Day program) reminds you that you really want to go home safe every day. It has really changed our culture.”

As the mine has grown from a few dozen to over 600 employees, McCooeye has trained hundreds of miners. “I’ve seen people move from mine labour to working as development miners. That’s a long way to go in a few years.” He’s proud of the mine’s excellent safety statistics, and especially the Home Safe Every Day program. “Home Safe reminds you that you really want to go home safe every day. It has really changed our culture.”

After 39 years, McCooeye still finds his job rewarding. “More than anything, I like to watch people leave at the end of their shift and know that nobody got hurt today. For me, that’s all I need.”

**Randy McCooeye**  
*Safety Risk Assessment Coordinator*

# COMMUNITY AND STAKEHOLDER ENGAGEMENT



At Alamos, we believe that excellence in sustainability helps ensure a net benefit to all stakeholders, including helping local residents and host governments build communities that will have brighter futures beyond our presence.

## Generating Positive Returns for All Stakeholders

In each of our host communities, we engage in ongoing dialogue in order to understand their priorities and expectations. Only through collaborative engagement, participation and support can we succeed in understanding local challenges and priorities, and build long-term partnerships.

At all times, we are respectful of local beliefs, culture, language, and all the defining features of a community, including Indigenous communities. Near the Mulatos mine, lengthy negotiation and dialogue with the *Ejido Mulatos* not only resulted in long-standing and successful formal agreements, but also initiation of a joint effort to relocate community members to various locations of their own choosing.

**TABLE 9 DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED**  
(IN THOUSANDS \$USD)

Direct Economic Value Generated	Young-Davidson	El Chanate	Mulatos	Turkey	Lynn Lake	Toronto
Revenues	\$ 211,938	\$ 82,955	\$ 187,522	–	–	\$ 1,815
<b>Economic Value Distributed</b>						
Operating costs (goods and services)	\$ 54,661	\$ 66,083	\$ 100,686	\$ 1,803	\$ 8,845	\$ 6,733
Employee wages and benefits	\$ 54,247	\$ 5,793	\$ 35,429	\$ 1,065	\$ 803	\$ 12,599
Payments to providers of capital	\$ 6,128	–	–	–	\$ 980	\$ 24,485
Payments to governments	\$ 1,700 Canada	\$ 113 Mexico	\$ 2,982 Mexico	\$ 124 Turkey	\$ 3 Canada	\$ 230 Canada
Community Investments	\$ 988	\$ 387	\$ 6,801	\$ 73	\$ 104	\$ 447
Economic value retained	\$ 94,214	\$ 10,579	\$ 41,654	(\$ 3,065)	(\$ 10,742)	(\$ 29,213)

At the El Chanate mine we continue to foster our strong relationship with the neighbouring *Ejido de 16 Septiembre*, by helping to grow and diversify the customer base of the sewing workshop. In 2016 the sewing workshop started to develop additional product lines for the Mulatos mine and other regional customers. The mine also works closely with *Centro de Bachillerato Tecnológico Agropecuario* (CBTA) to help improve farming practices and develop crops that will become a revenue stream for the school.

### Indigenous Rights

Both the Young-Davidson mine and the Lynn Lake Gold Project are within the traditional territory of Indigenous peoples. At the Young-Davidson mine, we have Impact Benefit Agreements in place with Matachewan First Nation and Temagami First Nation. We regularly engage in community meetings and operational updates with all relevant parties. At Lynn Lake, we have an Exploration Agreement in place with Marcel Colomb First Nation.

### Community Consultation

The Stakeholder Advisory Committee (SAC) for the Kirazlı Project in Turkey continues to meet on

At Alamos we are respectful of local beliefs, culture, language, and all the defining features of a community, including Indigenous communities.

a regular basis and discuss a wide variety of topics and collectively decide upon community development projects. The committee includes the elected village heads (muhtars) of Kirazlı, Karacalar, Karaibrahimler, Alanköy, Yukarışapçı and Aşağışapçı.

At Lynn Lake, our staff work in close collaboration with the local First Nation leadership to not only provide employment opportunities but to increase the technical and business knowledge around potential mine activities in a manner that suits the community needs.

**TABLE 10** PERCENTAGE OF OPERATIONS WITH IMPLEMENTED LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS AND DEVELOPMENT PROGRAMS

	Young-Davidson	El Chanate	Mulatos	Turkey	Lynn Lake
Does the site have a formal community engagement program?	Yes	Yes	Yes	Yes	Yes
Has the site undertaken a social impact assessment with participation of the local community?	No	Yes	In Process	Yes	In Process
Does the site have a community development program based on community needs?	No	Yes	In Process	Yes	In Process
Does the site have a stakeholder engagement plan based on stakeholder mapping?	No	Yes	In Process	No	No
Does the site have a broad-based stakeholder committee or community consultation plan?	No	No	Yes	Yes	No
Does the site have a formal community grievance process?	No	Yes	Yes	No	No





## ENGINEERING A COMMUNITY RELOCATION

A trained industrial engineer, Dulce Maria Bernal Valenzuela works in Community Relations at Mulatos, a multi-faceted job that is packed with challenge. “Community Relations is the visible face of the Company,” she says. “Our job is to improve the general quality of life of our neighbouring communities.”

“Our job is to improve the general quality of life of our neighbouring communities.”

For the past year, Bernal and her team have been in the final stages of the voluntary relocation of the community of Mulatos. The process began with extensive and collaborative consultation: “We are moving a complete, functioning community, including their educational facilities and their health care.” Compassion and support have been essential. “We are providing psychosocial support to help people adapt to change, and providing guidance for new business ventures.” The multi-year process follows respected international standards.

This is the kind of work that Bernal thrives on, she says, where she sees positive results that will leave local communities with an economic diversity that will last long after mining activities have been completed.

**Dulce Bernal**  
*Jefe de Relaciones Públicas*



## Community Investments

### EDUCATION AND SCHOLARSHIPS

Investing in education is critical to creating sustainable, long-term improvements to our host communities. We make significant contributions to schools, families and students, from tuition costs, to school uniforms and supplies, to sports equipment.

In 2016, community members near the El Chanate mine received \$30,000 in educational scholarships, and \$4,000 in school supplies for elementary and middle school students. In addition, we provided \$12,000 in salaries and rent to support the community

daycare that many of our employees rely on.

We continued to support the Sewing Workshop Project, which trains women in employable skills, and for which El Chanate received the *Canadian Outstanding Business Award* in Social Responsibility from the Canadian Chamber of Commerce in Mexico.

In Turkey, we provided \$15,000 in funds for our scholarship program, which provides educational scholarships for economically-disadvantaged students, from kindergarten through university.

**TABLE 11** COMMUNITY INVESTMENTS AND VOLUNTARY CONTRIBUTIONS (IN THOUSANDS \$USD)

	Young-Davidson	El Chanate	Mulatos	Turkey	Lynn Lake
Payments to local communities as part of land use agreements, not including land purchases	\$ 969	289	6,483	0	96
Voluntary donations and investments of funds where the beneficiaries are external to the Company	\$ 12	14	136	1	8
Community infrastructure investments and social programs	\$ 7	84	182	72	0



We also helped organize numerous educational events and continue to support the local education infrastructure, and provide equipment, school supplies and transportation assistance support for teachers.

#### SUPPORTING COMMUNITY AND CULTURE

Cultural investments are essential to maintaining our position as a partner in the communities that host our operations. At Alamos, we make numerous and significant contributions to the cultural fabric of our local regions.

In Ontario, we were able to work with a partner company to secure a donation of \$50,000 towards the Town of Matachewan's skateboard park,

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Investing in education is critical to creating sustainable, long-term improvements to our host communities.

providing a new recreational facility for local families. We also supported a regional charity intended to increase the participation of youth in various sporting activities.

In Lynn Lake, Manitoba, we made donations to the community centre and a Christmas gift hamper program. Our educational contributions continue to include annual visits to the local high school to discuss career opportunities in mining, and a field trip with a high-school Outdoor Education class to discuss groundwater and potential impacts of mining.

Our cultural support for the community near the El Chanate mine is broad-ranging, from \$3,000 in supplies for a painted mural, to \$12,000 in sports equipment for local children, and another \$6,000 in funding for a host of community events.

In Turkey, \$8,000 was provided to organize and run cultural tours for villagers, and an educational tour of the mine to inform community members on the operations that are under construction. We also provided \$5,000 in support for a popular village festival.

#### HEALTH AND SAFETY

For over ten years we have made the Mulatos mine's medical clinic available to local communities for routine and critical health care services. The clinic serves as the primary health facility for the Mulatos and Mariachi communities, serving people of all ages. Babies have been born in the clinic, and those with serious conditions have been transported by Medevac to hospitals further away.

## At Alamos, we make numerous and significant contributions to the cultural fabric of our local regions.

At El Chanate, we support the Red Cross and local firefighters with fuel for their emergency vehicles. In Turkey, in the village of Kirazlı, our Health Clinic container continues to provide high-quality health services for local villagers.

#### IMPROVING INFRASTRUCTURE

In the region of Turkey that surrounds our Kirazlı project, high acidity and naturally-occurring mineral content create a poor-quality water supply with many elements that are deleterious to health. In 2016, we provided \$10,000 in funding for the construction of water tanks and a water pipeline to deliver clean, healthy drinking and utility water for local villages. We also funded \$15,000 in various infrastructure improvements to village houses, a mosque, and a community festival area.

At El Chanate, we funded the repair of the community water well which needed electrical upgrades and a new transformer.



# ENVIRONMENTAL RESPONSIBILITY

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At Alamos, we are committed to preserving the long-term health and viability of the natural environments affected by our projects and operations. We continually invest in new initiatives to reduce our environmental footprint. Our objective is to minimize the environmental impacts of our operations, and to offset any impacts that cannot be fully mitigated or rehabilitated.

Throughout our history, we have met or exceeded international environmental standards related to our activities. In 2016, all our mines operated in compliance with all applicable environmental regulations. Except for one onsite incident that was reported to an external regulator at El Chanate, no operation had any significant environmental spills in 2016.

**TABLE 12 MATERIALS USED BY WEIGHT AND VOLUME (IN METRIC TONNES)**

	Young-Davidson	El Chanate	Mulatos
Tonnes of ore processed	2,629,032	5,403,195	141,530
Tonnes of ore placed	0	6,320,627	7,034,976
Tonnes of waste rock mined	675,073	24,982,338	9,361,105
Cyanide tonnes	2,270	6,077	4,604
Lime tonnes	2,382	21,690	41,134
Ammonium Nitrate tonnes	0	4,187	2,774
Mill grinding steel tonnes	3,525	0	0
Grease kilograms	5,275	208	3,216
Oil litres	268,550	13,120	103,336
Cement tonnes	50,620	17,248	20,448

Note: Includes raw materials, associated process materials, semi-manufactured goods/parts and packaging materials.

**TABLE 13 DIRECT ENERGY CONSUMPTION BY PRIMARY ENERGY SOURCE (LITRES OF FUEL)**

	Young-Davidson	El Chanate	Mulatos
Diesel fuel used to generate power	55,267	0	13,196,503
Diesel fuel used by mining equipment	5,245,443	17,413,039	18,692,521
Fuel (propane) used for heating mine air (m <sup>3</sup> )	7,465	N/A	N/A
Gasoline used	155,921	501,502	509,630
Propane used (other than for mine air heating)	503	1,144,720	1,047,673

**TABLE 14** INDIRECT ENERGY CONSUMPTION BY PRIMARY SOURCE (kWh)

	Young-Davidson	El Chanate	Mulatos
Electricity (purchased)	229,295,752	25,632,727	0
Electricity generated on site	175,200	0	47,582,783

## Water Management & Water Use

The Young-Davidson mine sources its water from the local Montreal River. El Chanate's water is sourced from local groundwater, and the water used by the Mulatos mine comes from the Mulatos River and the Yecora aquifer. All water draw related to process water is fully permitted by the relevant regulatory authorities, and in no case does our water draw account for an average of 5 percent or more of the annual average volume of the source water body. In 2016, there was no significant detrimental impact on any water source or related downstream habitat due to the extraction of water.

We have comprehensive surface and ground water monitoring programs at all of our operating sites, where we conduct sampling and analysis using externally qualified and independent laboratories. We operate water treatment facilities at both

Mulatos and Young-Davidson prior to final effluent discharges to mitigate downstream impacts of local ecosystems. In 2016 a comprehensive review of site water balances and water management facilities was conducted at both Mulatos and Young-Davidson.

Our Turkish and Lynn Lake projects have been designed to minimize water use during construction and operation. Water management and treatment are incorporated into project designs in order to minimize the use of fresh water, develop appropriate diversion strategies and drainage systems that will allow the separate collection and management of contact and non-contact water. Any contact water that exceeds processing requirements will be treated at an on-site facility, and only be discharged once it complies with regulations.

**TABLE 15** WATER WITHDRAWAL BY SOURCE (m<sup>3</sup>)

	Young-Davidson	El Chanate	Mulatos
Fresh water pumped from surface source (lake, river, etc.)	375,199	0	899,238
Groundwater (m <sup>3</sup> )	1,027,865	1,605,171	0
Rain water collected directly, stored and used (m <sup>3</sup> )	0	0	864,807
Municipal water used (m <sup>3</sup> )	0	0	0
Total water used	1,403,064	1,606,171	1,764,045





## AWARD-WINNING ENVIRONMENTAL STANDARDS

Twenty-three years ago, when he was fresh out of Industrial Engineering school, Jose David Rosas Valdez joined PROFEPA, the Mexican environmental protection authority. After ten years as an environmental inspector, he brought his experience and understanding to the Mulatos mine, which was then a development project. Under Rosas, both Mulatos and then El Chanate developed and implemented their widely-respected environmental policies and procedures.

“Year after year,” he says, “good practices have become more widespread. We have such camaraderie and good relations across the departments, and the positive attitude of the employees has led to success at both operations.” Under his supervision, the mines applied for and earned Industria Limpia (clean industry) Certifications from PROFEPA. “We have also seen our high standards reflected in other certifications. We have been named a *Great Place to Work*, a model of gender equity, and so on. For eight years we have been certified a *Socially Responsible Mining Company*.”

He says, “Environmental management is of paramount importance to our mine, and to Alamos Gold. From top management to the workers in the mine, everyone must understand the importance of taking all necessary precautions to minimize the impacts of our activities.”

**David Rosas**  
*Ingeniero Industrial Administrador*



## Air Emissions

At all of our mines, air emissions are regularly monitored. Our monitoring programs include sampling of emissions from stationary sources such as power generators, boilers, and furnaces,

and continual air sampling in the areas surrounding our mines, to prevent any effects on surrounding communities and stakeholders.

**TABLE 16 GREENHOUSE GAS EMISSIONS (TONNES OF CO<sup>2</sup> EQUIVALENT)**

	Young-Davidson	El Chanate	Mulatos
Direct GHG emissions	26,534	49,383	102,519
Indirect GHG emissions (From the generation of electricity, heat or steam in stationary sources)	12,469	47,499	40,794
Indirect GHG emissions (From the generation of electricity, heat or steam in mobile sources)	14,065	1,885	61,725
Total	53,067	98,767	205,038

## Waste Management

We have waste management programs at all of our sites with facilities and procedures in place to separate and manage hazardous and non-hazardous wastes including domestic wastes. Wastes that are stored on site are done in accordance with industry best practices and at minimum applicable

legislative requirements. Our employees are trained in the proper storage and handling of hazardous and non-hazardous wastes. The transportation and offsite disposal of wastes are carried out by licensed contractors in accordance with local regulatory requirements.



**TABLE 17 WASTE, HAZARDOUS AND NON-HAZARDOUS (IN TONNES)**

	Young-Davidson	El Chanate	Mulatos
Hazardous waste	0.7	50	692.4
Non-hazardous waste (all other forms of solid or liquid waste excluding effluents and wastewater)	1,902	122	790.5

#### ARTISANAL MINING

Artisanal miners, operating without authorization, can be a cause of environmental damage in many areas where mining has been a traditional practice. There were no instances of artisanal miners at our sites in 2016.

#### Reclamation

Since every mine will eventually close, reclamation planning is an integral part of mining. To plan for the costs related to closure, funds are set aside for its eventual reclamation. Mine closure plans and the associated financial resources to ensure adequate reclamation are reviewed annually.

As an organization that is committed to returning our properties to thriving, healthy ecosystems, we practise progressive reclamation. We begin to restore disturbed lands, or areas of the leach pad and waste dumps as soon as they are no longer required. Our reclamation includes reforestation,

treatment of runoff water, and re-contouring slopes with topsoil and vegetation. Our intent is to complete a significant portion of the reclamation work years before the mine's expected closure, which has positive effects on our host communities and our employees.

**TABLE 18** AMOUNT OF LAND DISTURBED AND REHABILITATED IN 2016 (HECTARES)

	Young-Davidson	El Chanate	Mulatos
Total land area used for production activities/extractive uses	5,039	4,400	659
Land area that has been disturbed by mine activity and not yet rehabilitated	334	985	434
Land newly disturbed in the year	0	22	10
Land rehabilitated in the year	0	20	2.5

**TABLE 19** OPERATIONS WITH CLOSURE PLANS

	Young-Davidson	El Chanate	Mulatos
Financial provisions for closure (\$USD)	\$6.6 M	\$8.3 M	\$31.1 M
Is the closure/reclamation plan and associated financial obligation reviewed on an annual basis?	Yes	Yes	Yes

## Reforestation

At our Mexican mines, tree planting is an ongoing activity. To provide the trees for reforestation, both the Mulatos and El Chanate mines run their own nurseries.

Reforestation activities at the El Chanate mine were increased in 2016 as this operation approaches the end of its ore resource.

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As an organization that is committed to returning our properties to thriving, healthy ecosystems, we practise progressive reclamation.



# GOVERNANCE



Alamos maintains the highest standards of corporate governance to ensure that our corporate decision-making incorporates our values, including our commitment to sustainable development. The current Alamos Sustainability Framework is comprised of these formal policies:

- ▶ **Alamos Sustainability Policy**
- ▶ **Alamos Health & Safety Policy**
- ▶ **Alamos Risk Management Program**
- ▶ **Alamos Technical and Sustainability Committee Charter**
- ▶ **Alamos Code of Business Conduct and Ethics**

Each Alamos location designs its own policies and practices, including site level health and safety management systems, within the parameters of the Alamos Sustainability Management System Framework.

Late in 2016, we initiated a comprehensive review of our sustainability strategy in the context of

our company's current status and future growth potential. We will continue to review and update our sustainability and governance policies in 2017 and beyond, to put in place a best-in-class Sustainability Performance Management System that will serve our company's needs as we continue to grow.

## Technical and Sustainability Committee

The Alamos Technical and Sustainability Committee has a key oversight role, including obligations to:

- ▶ **Review goals, policies and programs** relative to sustainability issues, including health, safety, community relations and environmental matters.
- ▶ **Review health, safety and environment audits and management's activities** to maintain appropriate internal and external audits.
- ▶ **Review management reports on sustainability matters**, including health, safety, social responsibility and environmental matters, and the Sustainability Report.

- ▶ **Monitor management's risk management processes** related to sustainability matters and report to the Board on the effectiveness of such processes.
- ▶ **Visit project sites periodically (as individuals or as a committee)** to become familiar with the nature of the operations, and to review relevant sustainability-related objectives, procedures and performance, including health, safety, community relations and environmental matters.
- ▶ **Review and monitor the Alamos Sustainability Policy** and the Alamos Health and Safety Policy and related activities of the Corporation to ensure that the Corporation is in compliance with applicable laws and legislation.
- ▶ **Report to the Board following each meeting of the Committee** and at such other times as the Board may consider appropriate.

## The Board of Directors

The Board's primary responsibility is to provide governance and stewardship. Each member is required to exercise their business judgment in a manner consistent with their fiduciary duties. In particular, directors are required to act honestly and in good faith, with a view to the best interests of the Company and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Board discharges its responsibility for supervising the management of the business and affairs of the Company by delegating the day-to-day management of the Company to senior officers. The Board oversees the Company's systems of corporate governance and financial reporting and controls to ensure that the Company reports adequate and fair financial information to shareholders and engages in ethical and legal corporate conduct. Its goal is to ensure that Alamos continues to operate as a successful business, and to optimize financial returns to increase the Company's value over time, while effectively managing the risks confronting the organization.

Eight of our nine directors are independent, and one, the President and CEO, is not independent. At each Board meeting, the independent directors meet in the absence of the non-independent member, who does not participate in these sessions. The Chairman of the Board is an independent director and is not involved in day-to-day operations of the Company.

Board policy also states that directors should, as much as possible, be independent from each other. No members of our Board currently serve together on the boards (or board committees) of other public companies.

## Shareholder Engagement

Alamos management communicates regularly with shareholders and other stakeholders, through timely dissemination of information and reporting of quarterly and annual operating and financial results. Executive officers make regular presentations to stakeholders, including employees and major shareholders. Shareholders are invited to communicate with the Board through the annual meeting, or by contacting the Board through our General Counsel. Shareholders can also propose resolutions for consideration at a shareholders' meeting.

## Strategic Planning

Alamos' strategic planning incorporates principles of sustainable development. Each year, the Company's Executive Officers develop and recommend a strategic plan for approval by the Board. Management carries out periodic reviews of the strategic plan, and recommends annual corporate objectives, a budget and a long-term financial plan, which are presented to the Board for approval. When appropriate, the Officers of the Company also provide presentations on strategic issues.

## Risk Management

In order to make informed decisions on corporate strategy, we need a thorough understanding of any associated risks, including those relating to sustainability. In 2012, we adopted the Alamos Risk

Management Program, which is intended to ensure our strategic objectives are met while protecting our assets, stakeholders, reputation, and the environment. Its objectives are to:

- ▶ **Understand the risks associated with our business activities** through integrating the outputs of various risk functions.
- ▶ **Reduce the likelihood and consequences of adverse effects** to acceptable levels. In relation to health, safety and environmental issues, risks should be managed to a point that is as low as reasonably practicable.
- ▶ **Strive to make informed decisions** based on understanding the risk tolerance levels, and the reward-to-risk balance at corporate and operating levels.
- ▶ **Continuously improve our management of risk**, thereby providing greater certainty on the delivery of objectives.

The Risk Committee is responsible for overseeing and monitoring, from a process standpoint, the Alamos Risk Management Program. The Risk Committee is comprised of the Alamos CEO, CFO, COO, VP General Counsel, VP Development & Construction, VP Sustainability & External Affairs and VP Finance. The Risk Committee conducts risk identification and review processes, not less than quarterly to identify any emerging risks, determine the effectiveness of current risk management strategies and, where appropriate, develops new risk management strategies. The Risk Committee also has responsibility for ensuring that a robust risk management process is in place, and for monitoring the overall risk profile of the Company as well as the effectiveness of risk controls.

The Risk Committee has undertaken a comprehensive risk assessment, which involved an analysis of issues at the corporate and mine site levels to identify emerging risks, mitigating activities, and opportunities for improved monitoring and management. An entity-level risk matrix was

developed, which identified several sustainability-related risks.

Our goal is to ensure a single, integrated, principled approach to risk management throughout the organization. To achieve this, and to ensure that our employees and contractors are informed about the program and their responsibilities, we focus on education, effective policy implementation and continuous risk assessments.

### Anti-Bribery and Anti-Corruption Policy

Alamos takes a zero-tolerance approach to bribery and corruption. All personnel are expected to conduct business legally and ethically, and to comply with the Alamos Anti-Bribery and Anti-Corruption Policy and all related applicable laws.

Our Anti-Bribery and Anti-Corruption Policy sets out our commitment to honest and ethical conduct and the need for compliance with applicable laws, rules and regulations in this area. We have processes in place to cultivate a Company-wide culture of awareness and compliance education, as well as a system for internal reporting of potential violations and responding to reports of potential violations.

We do not make contributions to political parties or politicians. While we participate in public policy discussions through our memberships in the Canadian Chamber of Commerce, the Canadian Chamber of Commerce in Mexico, and the Ontario Mining Association, we do not take positions on public policy or participate in public policy development and lobbying.

There were no legal actions taken against us in 2016 related to corruption, nor for anti-competitive behaviour or anti-trust violations. No significant fines or non-monetary sanctions were levied against us for non-compliance with laws and regulations.

Our compliance procedures are reviewed at least annually by legal counsel, and updated as appropriate. We also conduct periodic review and testing of the standards, procedures and codes.

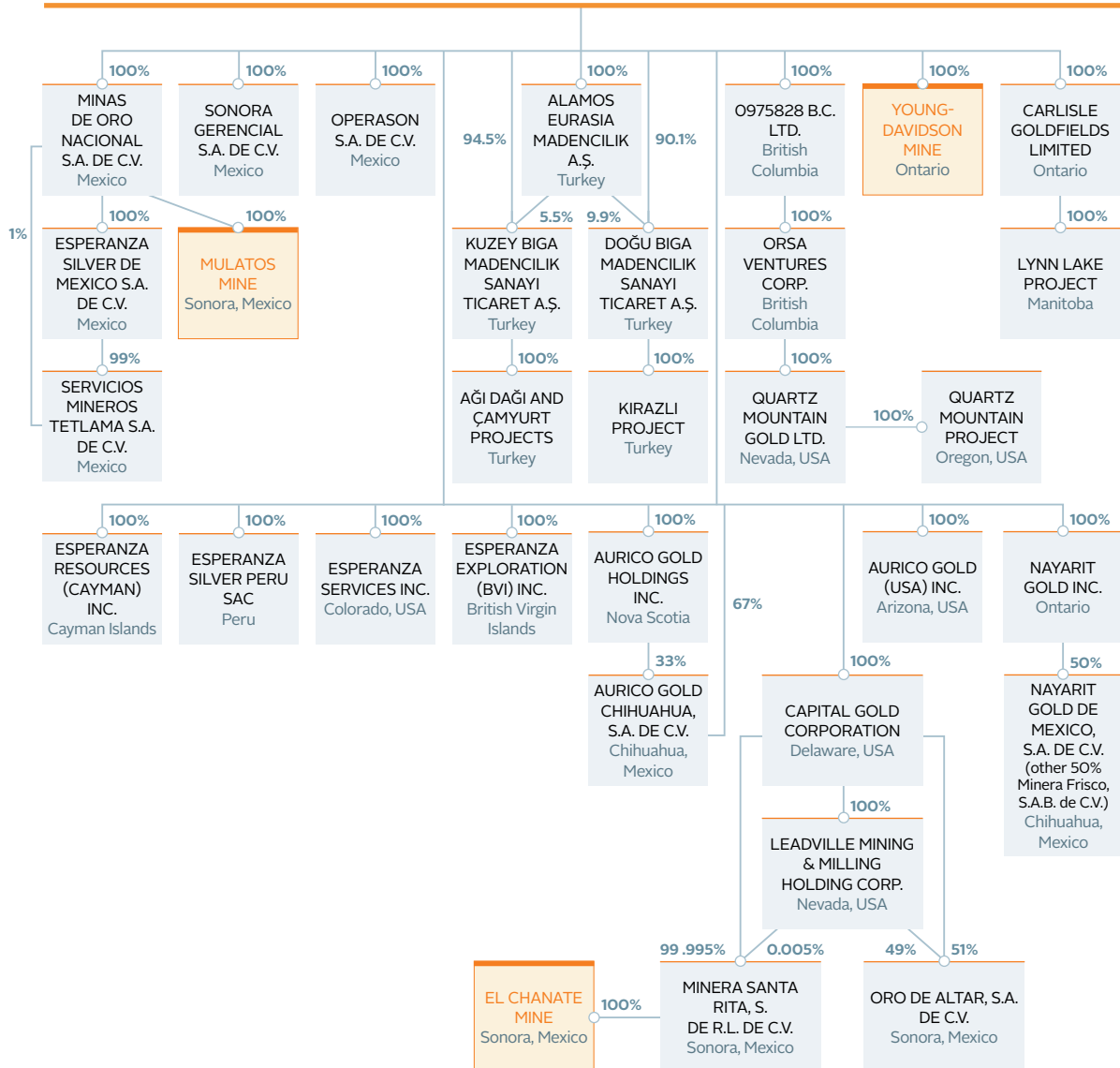


## ORGANIZATIONAL PROFILE

Alamos is a corporation existing pursuant to the laws of British Columbia, Canada, and is listed on the Toronto Stock Exchange and New York Stock Exchange. The Corporate headquarters of Alamos

is located in Toronto, Ontario, Canada. Alamos holds its assets through a number of directly and indirectly held wholly-owned subsidiaries, as set out in the chart below as at December 31, 2016.

### Alamos Gold Inc., Ontario



# GRI INDEX

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# CORPORATE INFORMATION

## DIRECTORS

**Paul J. Murphy**, B.Comm., FCPA  
Chairman

**John A. McCluskey**  
President, Chief Executive  
Officer and Director

**Mark J. Daniel**, Ph.D. (Economics)  
Director

**Patrick D. Downey**, B.Comm.,  
CPA, CA  
Director

**David Fleck**, B.A. (Economics),  
MBA  
Director

**David Gower**, M.Sc., P.Geo.  
Director

**Claire M. C. Kennedy**, B.A.Sc.  
(Chemical Engineering),  
LL.B., ICD.D  
Director

**Ronald E. Smith**, BBA,  
FCPA, ICD.D  
Director

**Ken Stowe**, B.Sc., M.Sc.  
(Mining Engineering)  
Director

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## MANAGEMENT

**John A. McCluskey**  
President, Chief Executive Officer  
and Director

**Jamie Porter**, BACS, CA-CPA,  
CPA (Illinois)  
Chief Financial Officer

**Peter MacPhail**, B.A.Sc., P. Eng.  
(Mineral Engineering)  
Chief Operating Officer

**Christine Barwell**, CHRP,  
CCP, GRP  
Vice President, Human Resources

**Chris Bostwick**, B.Sc., FAusIMM  
(Mining Engineering)  
Vice President, Technical Services

**Luis Chavez**, B.A., M.Sc., Ph.D.  
(Energy and Mineral Economics)  
Senior Vice President, Mexico

**Andrew Cormier**, B.Sc., P. Eng.  
(Extractive Metallurgy)  
Vice President of Construction  
and Development

**Nils F. Engelstad**, BA, LL.B., LL.M  
Vice President, General Counsel

**Greg Fisher**, B.Comm., CA-CPA  
Vice President, Finance

**Aoife McGrath**, M.Sc., M.AIG.  
Vice President of Exploration

**Scott Parsons**, BBA, CFA  
Vice President, Investor Relations

**Colin Webster**, B.Sc., P. Eng.  
(Mining Engineering)  
Vice President, Sustainability  
and External Affairs



## HEAD OFFICE

**Toronto**  
181 Bay Street, Suite 3910  
Toronto, ON M5J 2T3

**T** 416 368-9932  
**TF** 1 866 788-8801  
**F** 416 368-2934

## MEXICO OFFICE

**Minas de Oro National,  
S.A. de C.V.**

A wholly owned subsidiary  
of Alamos Gold Inc.

Calle de los Pimas 81  
Parque Industrial  
Hermosillo, Sonora, Mexico,  
C.P. 83299

## TURKEY OFFICE

**Alamos Gold. Inc.**  
4. Cad. No: 10/1 Kat:1  
06550 Çankaya/Ankara

## INVESTOR INQUIRIES

**Scott K. Parsons**  
Vice President, Investor Relations  
**T** 416 368-9932 x 5439  
**E** sparsons@alamosgold.com

## WEBSITE

[www.alamosgold.com](http://www.alamosgold.com)

## SUSTAINABILITY CONTACT

**Colin Webster**, B.Sc., P. Eng.  
(Mining Engineering)

Vice President, Sustainability  
and External Affairs

**T** 416 368-9932  
**E** info@alamosgold.com



ALAMOS GOLD INC.

[www.alamosgold.com](http://www.alamosgold.com)