

DETOUR GOLD

ANNUAL REPORT 2007





Advancing one of Canada's largest undeveloped gold resources towards development

Detour Gold Corporation is a Canadian gold exploration and development company with a highly experienced management and technical team whose primary focus is to advance its flagship Detour Lake project towards development and production.

DETOUR LAKE PROJECT CONTINUED RESOURCE GROWTH

■ Measured & Indicated
■ Inferred

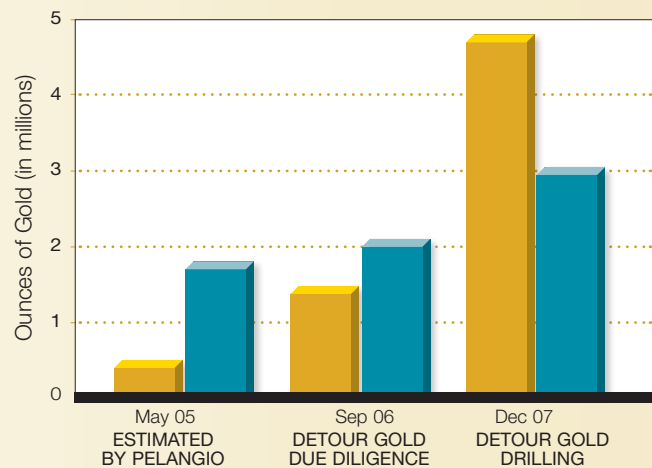
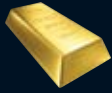


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NOTICE OF ANNUAL MEETING

Thursday, May 29, 2008 at 10:00 AM
 Royal York Hotel - British Columbia Room
 Toronto, Ontario

All amounts in this annual report are in Canadian dollars unless otherwise indicated.



DETOUR GOLD

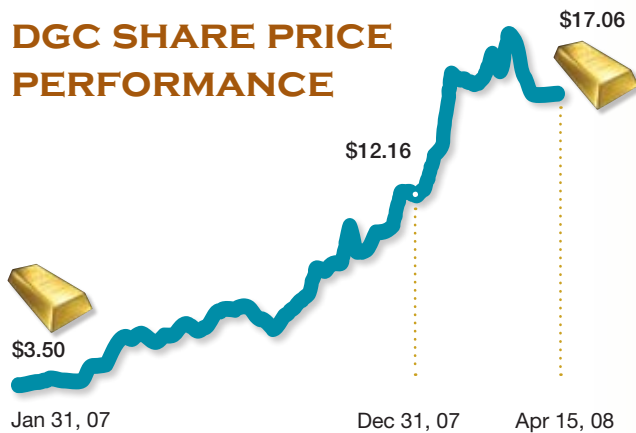
2007 ACHIEVEMENTS

- Completed a successful \$35 million IPO
- Completed the purchase of the Detour Lake asset for \$75 million
- Commenced trading on the Toronto Stock Exchange on January 31, 2007
- Obtained excellent drill results from Phase I drilling (50,000 metres)
- Increased resource base by 230%
- Initiated feasibility study
- Completed an additional 60,000 metres of drilling (Phase II)
- Share price appreciation of 247%

2008 PLANS

- Drill another 75,000 metres (Phase II extension) to expand the resource
- Explore other targets with +10,000 metres drilling campaign
- Issue resource update by mid-year
- Order long-lead items by mid-year
- Complete feasibility study by year-end
- Maintain solid financial position

DGC SHARE PRICE PERFORMANCE



DGC - A SIMPLE PROFILE

- Mineral gold resources of 4.8 million ounces in measured and indicated, and 3.0 million ounces in inferred
- \$75 million in working capital
- 47.97 million shares fully diluted



The Company achieved remarkable exploration success very early on at its flagship Detour Lake property, which resulted in defining a large mineral resource amenable to open pit mining.

Gerald S. Panneton
President and Chief Executive Officer

DEAR SHAREHOLDERS,

2007 marked the first year of existence for Detour Gold Corporation. The Company achieved remarkable exploration success very early on at its flagship Detour Lake property, which resulted in defining a large mineral resource amenable to open pit mining. The significant addition to the gold mineral resources resulted in more than tripling shareholder value in 2007. The market capitalization of the Company rose from \$140 million at the Initial Public Offering (IPO) on January 31, 2007 to \$492 million at year-end. With this success, we announced a private placement in February 2008 for gross proceeds of \$65.2 million to be directed towards the advancement of the project. The Company continues to have exploration success in 2008 and at the time of writing this annual report, the market capitalization is near \$700 million. With a cash position of approximately \$75 million, Detour Gold has the financial strength to continue to advance the Detour Lake project towards development and unlock its full potential.

THE DETOUR GOLD STORY

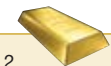
The Detour Gold story started in August 2006 with the announcement to acquire the Detour Lake gold project from Pelangio Mines Inc. for \$75 million (\$5 million cash and 20 million shares of Detour Gold subject to a successful IPO). Detour Gold's management was quick to recognize the underlying value of the Detour Lake asset. The Detour Lake deposit is situated in the area of the former Detour Lake mine, which was operated by Placer Dome and produced 1.8 million ounces of gold from 1983 to 1999. During the due diligence process, a re-evaluation of the resource model by Detour Gold's team produced a revised resource estimate of 1.4 million ounces in the indicated category and 2.0 million ounces in the inferred

category, amenable to large-scale open pit mining using a US\$450 per ounce gold price. Detour Gold planned an aggressive drilling campaign and started its Phase I drilling on January 8, 2007. With all conditions for the purchase transaction fulfilled on time, including a successful \$35 million IPO financing (10 million shares valued at \$3.50), the Company became a publicly traded entity on January 31, 2007.

UNLOCKING THE VALUE OF DETOUR LAKE

In the first half of 2007, we completed a first phase 49,322 metre drilling program (Phase I). The Company started Phase II in July 2007 and had completed 60,175 metres by year-end. Phase I results were included in a resource estimate update that was announced in December 2007. The new measured and indicated resources increased by 243%, from 1.4 to 4.8 million ounces, while the inferred resources increased by 50%, from 2.0 to 3.0 million ounces. The significant increase demonstrated the success of our drilling program in proving the continuity of the mineralization between the West Pit and Calcite Zone (referred to as the Gap Zone) and finding new zones in the hanging wall, north of the 200 metre wide mineralized corridor. This large gold resource, using a US\$575 per ounce gold price, is now contained within a large open pit which exceeds 2.5 kilometres in length up to a depth of 600 metres.

Having exceeded our objectives for 2007, we significantly increased our commitment in 2008 to fully realize the potential of the Detour Lake deposit with a budget of \$25 million. The Phase II drilling program was increased with an additional 75,000 metres (for a total of 135,000 metres) to expand the deposit to the west and test additional mineralization that was



found in the hanging wall during the 2007 program. In addition, in January 2008, we started a 12,000 metre drilling program to evaluate several targets outside of the Detour Lake deposit.

Since January to present, we have completed over 45,713 metres of diamond drilling in 104 holes. Thus far, we have announced drilling results for 121 holes from the 2007 Phase II program. The Company plans to publish a resource update by mid-2008, which will include the results from Phase I and at least half of Phase II. Considering the positive results we have received to date, we are confident in the further expansion of the gold resources.

Additional upside potential is expected to come from two main factors: drilling and feasibility optimizations. By year-end, we will have all the results from Phase II drilling incorporated in the feasibility study. The following improvements are expected in the feasibility study: (1) increase in throughput which will lower the operating costs and subsequently the cut-off grade (2) rise in the capping grade to greater than 20 g/t gold, and (3) steepening of pit wall angles from the current 50 degrees. All these factors will have a positive impact on the economics of the project.

The feasibility study, which started in the fall of 2007, is progressing at a good pace with completion expected by end of 2008. Met-Chem Canada was retained by the Company to lead and manage the study. Preliminary metallurgical testwork indicate a very simple metallurgical flowsheet for the project. Excellent gold recoveries were obtained, ranging from 91% to 95%, using a standard gravity/cyanidation/carbon-in-pulp circuit. Further testwork is continuing in the next few months to define the optimal development route (throughput and capacity), which will permit the Company to order the long-lead items such as the grinding mills by mid-year.

GOLD PRICE ENVIRONMENT

With gold prices having reached an all time record of US\$1,000 per ounce in March 2008, we still believe in further appreciation of the bullion as investor demand for gold remains strong and the trend of mine supply of gold continues to decrease. We are currently in times of financial market jitters and economic uncertainties and investors are turning to hard assets, such as gold, as insurance to protect their investments.

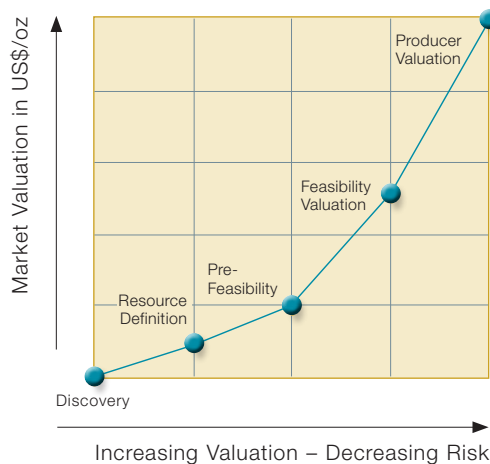
In our December 2007 resource estimate, we also ran a pit optimization using a gold price of US\$700 per ounce that outlined a measured and indicated resource of 6.0 million

ounces and an inferred resource of 4.0 million ounces. Detour Gold is certainly well positioned to take full advantage of a high gold price environment as we advance the Detour Lake project towards development and production.

LOOKING FORWARD

Over the course of 2008 and beyond, our main focus is to successfully transition towards development and production. With our large resource base located in Canada, one of the top jurisdictions in the world that supports mineral development, Detour Gold should attract a premium valuation in the market.

MARKET VALUATION VS. DEVELOPMENT STAGE



With the Detour Lake asset as the first element of our base-building strategy, we are pursuing new strategic assets in low-political risk jurisdictions, such as North America, that will further drive shareholder value in the future.

On behalf of the Board of Directors, I would like to acknowledge the significant contribution of our employees, including our geological team and contractors at Detour Lake in building Detour Gold into a successful exploration and development company. We would also like to thank our shareholders for their continued support and encouragement as we look forward to another exciting and rewarding year.

Gerald S. Panneton
President and CEO

April 15, 2008



DETOUR LAKE PROJECT



PROJECT ACQUISITION

In August 2006, Detour Gold signed a purchase agreement with Pelangio Mines Inc. (“Pelangio”) to acquire the Detour Lake exploration project in northeastern Ontario. The completion of the transaction was subject to various conditions that were all satisfied and a successful initial public offering (“IPO”), which closed on January 31, 2007 with gross proceeds of \$35 million. In consideration for the asset, Pelangio received \$5 million in cash and 20 million shares of Detour Gold (now representing a 41.7% equity interest in Detour Gold on a fully diluted basis).

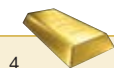
During the due diligence process of the Detour Lake project, Detour Gold estimated the mineral resource of the Detour Lake deposit at 1.4 million ounces in the indicated category and 2.0 million ounces in the inferred category, amenable to large-scale open pit mining. The optimization study produced two separate pit shells (West Pit and Calcite Zone) based on a US\$450 per ounce gold price.

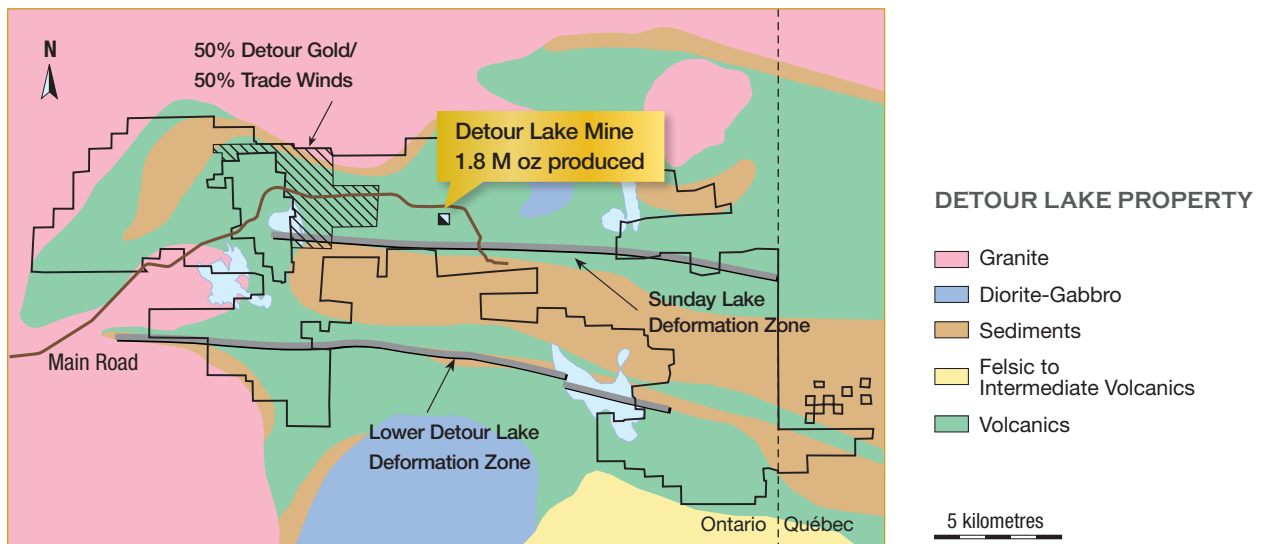
The Detour Lake property comprises 242 square kilometres on the northernmost, relatively underexplored Abitibi Greenstone Belt, approximately 140 kilometres northeast of Cochrane, Ontario. Within this large land package, Detour Gold is focusing its exploration activities in the area of the former Detour Lake mine, which produced 1.8 million ounces from 1983 to 1999.

The Detour Lake deposit is located on the Mine Option Property, which is under option from Goldcorp Canada Ltd. (“Goldcorp”), formerly Placer Dome (CLA) Limited (“Placer”). In April 2008, the Company announced that it had entered into an agreement with Goldcorp to exercise its option and acquire ownership of the Mine Option Property. Pursuant to the terms of the agreement, Detour Gold will assume all of Goldcorp’s liabilities and obligations relating to the Mine Option Property and certain other exploration properties. The Company expects the transaction to close in the third quarter of 2008.

On Block A, located a few kilometres northwest of the Company’s main drilling activities, Trade Winds has completed its spending requirements of \$7.5 million to earn an undivided 50% interest. Completion of the transaction is subject to both parties executing a formal joint venture agreement.

The remaining exploration land is 100% owned by Detour Gold. Both the Mine Option Property and Block A (except Block A North), and certain other parts of the property are subject to NSR obligations of 1% in favor of Goldcorp (buy back option at \$1 million) and 2% in favor of Newmont or an individual prospector.





GEOLOGY AND MINERALIZATION

The Detour Lake property is located within the northwestern portion of the Abitibi Greenstone Belt in the Superior Province of the Canadian Shield. Underlying bedrock consists primarily of massive and pillowed mafic volcanics and minor ultramafic rocks (Rocquemaure volcanic assemblage), which have been locally intruded by gabbro, diorite to quartz diorite stocks, dykes and sills and transected by the east-west trending Sunday Lake Deformation Zone (“SLDZ”). To the south of the SLDZ, the rocks are comprised of a clastic sedimentary package consisting of conglomerate, greywacke and argillite (Porcupine sedimentary assemblage).

The gold deposit being outlined by Detour Gold is in the vicinity of the former Detour Lake mine, above the former underground workings and west of the former open pit. The main structure in the mine area is a strongly mylonitized and mineralized siliceous alteration zone, referred to as the chert marker horizon (“CMH”), which marks the contact between the basaltic and ultramafic terranes. The CMH along with the strongly altered ultramafic flows and chloritic greenstone unit define the SLDZ.

The gold mineralization is found within a known east-west 200 metre wide corridor that locally exceeds 350 metres. Near 90% of the deposit is in the hanging wall of the CMH within an assemblage of massive and pillowed mafic volcanic flows. The deposit extends from the West Pit to the Calcite Zone, a distance of 2.5 kilometres, and remains open in all directions.

Gold mineralization within the corridor typically consists of multiple, subvertical, 5 to 25 metre wide zones comprised of swarms of mineralized quartz veins. The zones generally

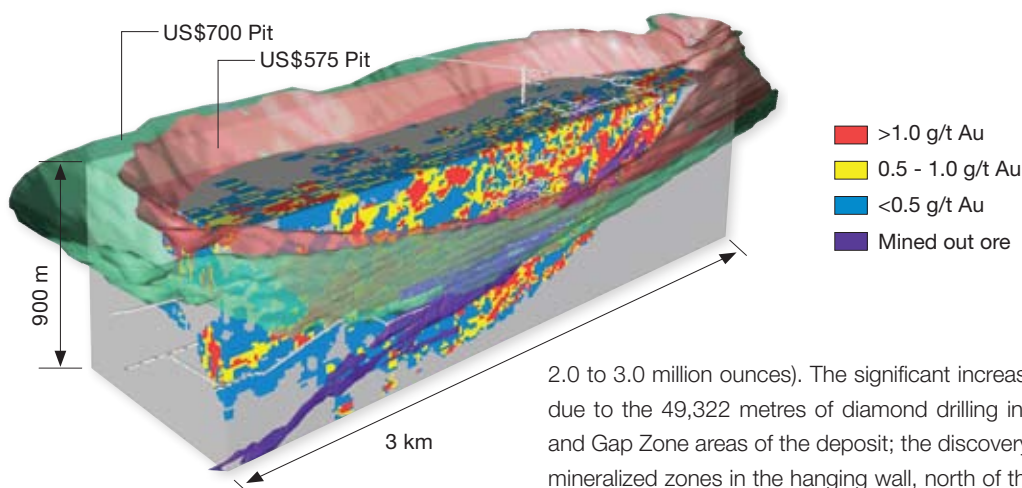
average between 1.0 to 3.0 g/t gold with high values generally characterized by clusters of visible gold in quartz veins and pillow selvages within a potassically altered envelope that contains a low sulphide content.

2007 DRILLING PROGRAM

In January 2007, Detour Gold embarked on an aggressive diamond drilling program with the objective of further expanding the mineral resources. During the year, the Company completed 109,497 metres of drilling in 304 holes in two phases. The Phase I drilling, which included the results of 49,322 metres in 134 holes, was used in the mineral resource estimate of December 2007. The Phase I drilling focused mainly in the area between the West Pit and Calcite Zone (referred to as the Gap Zone) that had seen very limited drilling in the past. In the Phase I program, the mineralized corridor was tested over a strike length of 1.6 kilometres on a 40 metres east-west and 80 metres north-south grid.



DETOUR LAKE 3D BLOCK MODEL



The Phase II drilling started in mid-2007 and by year-end, 60,175 metres had been completed in 170 holes. Results from this drilling started to be released in January 2008.

DECEMBER 2007 MINERAL RESOURCE

After a successful Phase I drilling campaign, Detour Gold completed a mineral resource estimate based on the concept of a large-scale open pit operating at a rate of approximately 20,000 tonnes per day (tpd). The mineral resource was contained within an optimized pit shell, based on the 2007 mine cost parameters of the 12,000 tpd Pamour gold mine in Timmins, to generate a preliminary in-pit mineral resource that Detour Gold believes can be economically extracted.

This new mineral resource more than doubled from the December 2006 mineral resource, resulting in an increase of 243% in the measured and indicated categories (from 1.4 to 4.8 million ounces) and of 50% in the inferred category (from

2.0 to 3.0 million ounces). The significant increase was largely due to the 49,322 metres of diamond drilling in the West Pit and Gap Zone areas of the deposit; the discovery of additional mineralized zones in the hanging wall, north of the known 200 metre wide corridor; the addition of previously known mineralization that was not mined by Placer into the new pit shell (below the previous 2006 US\$450 pit shells); and the gold price increase from US\$450 to US\$575 per ounce.

DETOUR LAKE PROJECT MINERAL RESOURCE SUMMARY

(based on a gold price of US\$575 per ounce, equivalent to a cut-off grade of 0.64 g/t gold)

Resource Category	Tonnes (millions)	Grade Capped at 20 g/t Au (g/t Au)	Gold Ounces (capped) ('000's)
Measured	19.7	1.93	1,221
Indicated	70.2	1.60	3,610
Total (M&I)	89.9	1.67	4,831
Inferred	63.3	1.49	3,025

- (1) The mineral resource estimate was prepared for the Company by Thon Consulting and audited by Michael W. Kociumbas, P.Geo., Vice-President of Watts, Griffis and McOuat Limited ("WGM"), Consulting Geologists and Engineers, based in Toronto, Canada. Both Mr. Kociumbas and WGM are considered as independent Qualified Person(s) with respect to the Company's mineral properties in accordance with National Instrument 43-101 regulations.
- (2) The mineral resources are classified as measured, indicated and inferred, and comply with the CIM mineral resource definitions referenced in NI 43-101.
- (3) Base case assumes a gold price of US\$575/oz gold and \$US exchange rate of \$1.12.
- (4) Mineral resources that are not mineral reserves do not have demonstrated economic viability.
- (5) The quantity and grade of reported inferred resources in this estimation are conceptual in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured resource category.
- (6) All the projected cost and recovery figures should be considered preliminary and subject to a high degree of risk.
- (7) Measured (0 to 7.5 metres search ellipse distance) and indicated (7.5 to 20 metres distance) categories required a minimum of three (3) holes to establish continuity. The remaining estimates (from 20 to 40 metres maximum distance) were classified as inferred.
- (8) The database used for the current mineral resource estimate comprised a total of 533,721 metres of drilling (4,911 holes) obtained from surface and underground historical drilling and from approximately 49,322 metres of drilling (134 holes) completed and assayed by Detour Gold as of the end of October 2007 (Phase I).



The pit optimization was run on a 5X5X5 metre block model (regularized up to 10X10X10 metres) using the following parameters: 50° pit walls, \$1.50/t waste cost, \$1.75/t ore cost, \$8.25/t milling cost, \$2.00/t G&A, recovery rate of 91%. The resultant open pit had a cut-off grade of 0.64 g/t gold and a 6:1 waste to ore ratio.

In its December 2007 resource estimate, the Company also used different cut-off grades, based on gold prices of US\$450, US\$575 (base case), and US\$700 per ounce. As shown in the table below, at a US\$700 per ounce gold price, the measured and indicated resources increase to 6.0 million ounces and the inferred resources increase to 4.0 million ounces.

The resource estimate used conservative numbers for pit slopes and capping grade for the US\$575 pit shell. Several pit optimizations were generated to show the

sensitivity to these parameters. An analysis of the assay data (Phase I and historical drill holes) completed in late fall by Geostat Systems International Inc. indicated that a capping grade of 35 g/t gold could be used in the mineral resource estimate. The Company decided to remain conservative in its approach and wait for additional data from its Phase II drilling before using a higher capping number. A capping of 35 g/t gold adds nearly 700,000 ounces to the total resources.

The Company used 50° pit slopes (based on the former pit that had pit slopes of 53° in the hanging wall and 49° in the footwall). In the sensitivity analysis that Detour Gold conducted, a 55° pit slope could result in nearly 800,000 ounces being added to the total resources, as well as a near 10% improvement in the strip ratio down to 5.65 to 1.

Gold Price US\$/oz	Cut-off		Measured Category		Indicated Category		Measured and Indicated Categories			Inferred Category		
	Grade (g/t Au)	Strip Ratio	Tonnes (millions)	Grade (g/t Au)	Tonnes (millions)	Grade (g/t Au)	Tonnes (millions)	Grade (g/t Au)	Gold Ounces (000's)	Tonnes (millions)	Grade (g/t Au)	Gold Ounces (000's)
\$ 450	0.81	7.2	13.2	2.19	45.5	1.80	58.7	1.89	3,563	38.9	1.70	2,127
\$ 575	0.64	6.1	19.7	1.93	70.2	1.60	89.9	1.67	4,831	63.3	1.49	3,025
\$ 700	0.52	5.9	26.7	1.74	96.8	1.44	123.4	1.51	5,978	93.5	1.33	3,997

(1) All cases shown with same mine cost parameters as base case (US\$575/oz) and based on 20,000 tpd operation.

2008 DRILLING PROGRAM AND FEASIBILITY STUDY

With our exploration success at Detour Lake in 2007 and further potential to expand the mineral resources, we significantly increased our commitment to the project with a budget of \$25 million for 2008. The Phase II drilling program was recently augmented by 75,000 metres of drilling (now totaling 135,000 metres) and an exploration program of 12,000 metres was initiated to test other targets on the property. In conjunction with drilling activities, the Company is working on completing a feasibility study by year-end and advancing significantly the Environmental Impact Assessment (EIA) study.

The 2008 drilling program started on January 7 with six (6) diamond drill rigs. The objectives of the Phase II program are to: (1) infill the areas of the West Pit and Gap Zone, (2) expand the deposit to the west of the Calcite Zone and east of the West Pit, and (3) follow up on the additional mineralization found in the hanging wall during the 2007 campaign. The Phase II program is expected to be completed this summer. As of the time of writing this report, Detour Gold had completed 104 holes totaling 45,713 metres in 2008 and reported drill results from 121 holes totaling 40,952 metres from its Phase II program drilled in 2007.

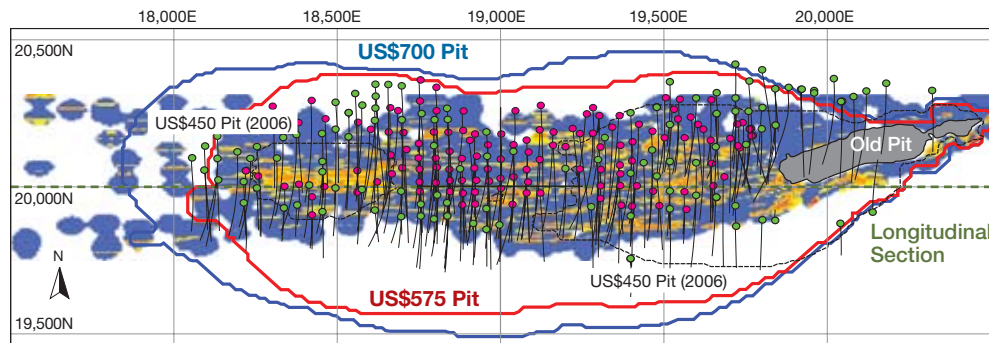
Drill results published to date from the Phase II program are very positive and are expected to be incremental to the current open pit resource base. In particular, the Company found new mineralization outside of the boundaries of the current US\$575 and US\$700 pit shells at the east end of the West Pit. One of the best intersections in this area included 16.97 g/t gold (uncut) over 15 metres in hole DG-07-194A (see page 8, Longitudinal Section). The Calcite Zone was also extended west to section 17,500E, a further 500 metres from the current US\$575 pit shell boundary.

The Company plans to release a mineral resource update by the end of June, which would include Phase I and approximately half of the Phase II drill results. A further resource update that will include all of the Phase II drill results will be part of the feasibility study.

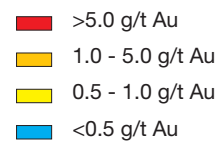
The feasibility study on the Detour Lake project was initiated in the fall of 2007 and is scheduled to be completed by year-end. Detour Gold has assembled a high quality team of consultants that include Met-Chem Canada Inc.; Breton, Banville & Associates ("BBA"); Melis Engineering Ltd.; AMEC; Micon International; Golder Associates; and Watts, Griffis and McOuat Ltd.



PLAN VIEW - 6210m ELEVATION (80m below surface)



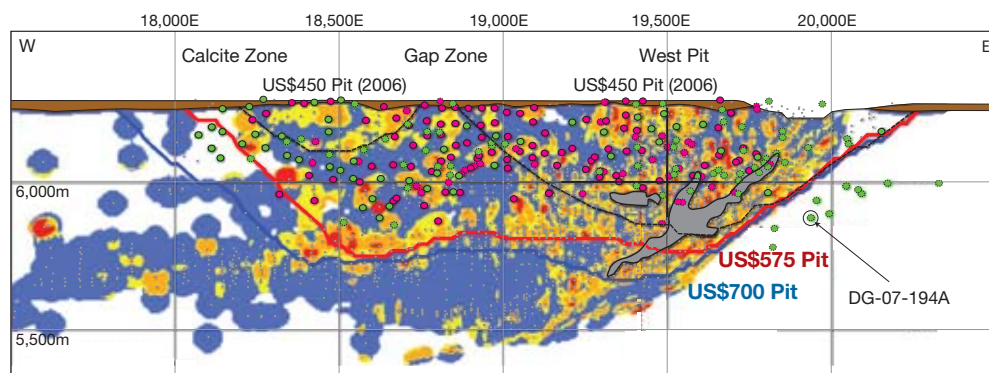
DECEMBER 2007 BLOCK MODEL



Block model:
5m x 2.5m x 5m

- Phase I drill holes
- Phase II drill holes (results announced)

LONGITUDINAL SECTION



The feasibility study contemplates an open pit operation of greater than 30,000 tpd over the life of mine. The throughput capacity is expected to be assessed in the next few months as BBA completes the mine design and pit optimization. Preliminary metallurgical testwork, under the supervision of Melis Engineering Ltd., indicated excellent gold recoveries in the 91% to 95% range, using a standard gravity/cyanidation/carbon-in-pulp circuit. The testwork also indicated that a very low tail grade (non-recoverable gold which goes to the tailings) of 0.08 to 0.10 g/t gold is achievable. Reagent consumption

(both cyanide and lime) were also low, less than 0.6 kg/t. Further metallurgical and comminution work are ongoing and the final process design flowsheet for the feasibility study is expected in the coming months.

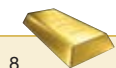
Geotechnical testwork to establish pit slopes is ongoing. Eight holes totaling 2,889 metres were drilled earlier this year under the supervision of Golder Associates. In addition, environmental studies started in the first quarter of 2008 with AMEC of Mississauga, Ontario.

LOOKING AHEAD

For 2008, we have set definite objectives to advance the project towards development and production:

- resource estimate by the end of second quarter 2008
- ordering of long-lead items by mid-year
- completion of feasibility study by year-end

The Company is confident in outlining a very large gold resource at Detour Lake that can be economically extracted by open pit methods. It is anticipated that subject to the receipt of a positive feasibility study, Detour Gold would be in a position to make a production decision in early 2009 and immediately initiate construction activities to start production in 2011.



MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Detour Gold Corporation ("Detour Gold" or the "Company") should be read in conjunction with the audited financial statements of Detour Gold Corporation for the periods ended December 31, 2007 and 2006 which have been prepared in accordance with Canadian generally accepted accounting principles. This MD&A covers the most recently completed fiscal year of Detour Gold and the subsequent period up to March 10, 2008. All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified.

This MD&A contains certain forward-looking statements. Please see the cautionary language on page 20.

OVERVIEW

The Company was incorporated on July 19, 2006 as 6600964 Canada Inc. pursuant to the *Canada Business Corporations Act*. Pursuant to articles of amendment filed on August 21, 2006, 6600964 Canada Inc. changed its name to Detour Gold Corporation and removed its private company restrictions. The Company is in the business of acquiring, exploring and developing mineral properties. The Company currently has no producing properties.

Detour Gold executed an asset purchase agreement with Pelangio Mines Inc. ("Pelangio") to acquire the Detour Lake property in northern Ontario on August 21, 2006, which was subsequently amended on September 21, 2006, October 4, 2006 and on January 8, 2007 (as amended, the "Purchase Agreement").

The Detour Lake property is in excess of 240 square kilometres. The core of the project is located in the Porcupine Mining Division of Ontario, approximately 180 kilometres northeast of Timmins. The project hosts the Detour Lake gold deposit, which contained, at the time of the Purchase Agreement, an indicated resource of 20.0 million tonnes grading 2.14 g/t gold containing 1,379,500 ounces and an inferred resource of 35.4 million tonnes grading 1.8 g/t containing 2,035,650 ounces. The mineral resource was contained within two pits (West Pit and Calcite Zone) based on a gold price of US\$450 per ounce. The Detour Lake property consists of certain exploration property surrounding the former Detour Lake mine (the "Detour Gold Exploration Lands"), and an option to acquire the Detour Lake mine property (the "Mine Option Property"), from Placer Dome (CLA) Limited ("Placer") (now, Goldcorp Canada Ltd.) ("Goldcorp"), all located on the Abitibi Greenstone Belt. The Detour Gold Exploration Lands include: Block A, B, C, D and E; claims acquired through staking; and claims purchased from a third party. Block A is currently subject to an option agreement between the Company and Trade Winds Ventures Inc. ("Trade Winds"). Trade Winds completed its exploration commitments and has earned its 50% interest, which is subject to the execution of a formal Joint Venture Agreement currently under negotiation. The Mine Option Property is the site of the former Detour Lake mine, which produced 1.8 million ounces of gold from 1983 to 1999. In January 1995, Placer filed a closure plan and the mine site officially closed in July 1999. The site is currently being rehabilitated by Goldcorp according to the 1995 closure plan.

On January 31, 2007, the Company completed the acquisition of the Detour Lake property from Pelangio, concurrently with the closing of its \$35 million Initial Public Offering ("IPO").

During 2007, the Company carried out an aggressive drilling program on its flagship Detour Lake property with the objective of increasing the mineral resources. In December 2007, the Company released a NI 43-101 compliant mineral resource update that included the results from its Phase I (134 holes totaling 49,322 metres) drilling program. The updated open pit resource (capped at 20 g/t gold) contained 4.8 million ounces in the measured and indicated categories (89.9 million tonnes grading 1.67 g/t) and 3.0 million ounces in the inferred category (63.3 million tonnes grading 1.49 g/t), using a gold price of US\$575 per ounce (cut-off grade of 0.64 g/t gold). This NI 43-101 current resource is contained within one large pit, located in the area of the former Detour Lake mine. In October 2007, the Company awarded several contracts for the start of a feasibility study, which is expected to be completed by the end of 2008.

Information Concerning Estimates of Measured, Indicated and Inferred Resources

This MD&A uses the terms "measured resources", "indicated resources" and "inferred resources". The Company advises investors that although these terms are recognized and required by Canadian regulations (under National Instrument 43-101 Standards of Disclosure for Mineral Projects), the United States Securities and Exchange Commission does not recognize them. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into reserves. In addition, "inferred resources" 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 inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred resources may not form the basis of feasibility or pre-feasibility studies, or economic studies, except for a Preliminary Assessment as defined under NI 43-101. Investors are cautioned not to assume that part or all of an inferred resource exists, or is economically or legally mineable.

PROPERTY DESCRIPTION

The Detour Lake property comprises certain mining claims, staked claims and mining leases located in Hopper Lake Area, Lower Detour Lake Area, West of Sunday Lake Area and Sunday Lake Area, Porcupine Mining Division of northeastern Ontario, and Massicotte Township, Quebec. As part of the acquisition, the Company also acquired all applicable contracts, geological data, technical reports and studies, core samples, licences, permits, property, plant, equipment and fixed assets located on or relating to the Detour Lake property and assumed certain liabilities related to the Detour Lake property. The consideration paid by the Company to Pelangio for the Detour



MANAGEMENT'S DISCUSSION AND ANALYSIS

Lake property consisted of:

1. 20,000,000 common shares of the Company, paid at the time of closing of the acquisition on January 31, 2007.
2. \$5,000,000 cash (of which a \$1,000,000 deposit had been paid on August 30, 2006 and the remaining \$4,000,000 was paid on January 31, 2007).
3. Funding of an approved work program, budgeted at up to approximately \$2,500,000 with respect to the exploration and development of the Detour Lake property from August 21, 2006 to January 31, 2007. The Company spent \$523,000 on exploration expenses on the property during the period ended December 31, 2006 and a further \$1,010,000 in January 2007.

EXPLORATION ACTIVITIES

Mine Option Property

Detour Gold commenced its Phase I drilling program on the Detour Lake deposit in January 2007. By mid-July, the Company had completed the Phase I program with 134 holes totaling 49,322 metres with all drill results released by November 2007 and available on the Company's website. The Phase I drilling program was designed to expand beyond the December 2006 near-surface mineral resource and convert a large portion of the inferred resources to the indicated category. The December 2006 mineral resource estimate contained 1.4 million ounces of gold in the indicated category (20.0 million tonnes grading 2.14 g/t) and 2.0 million ounces of gold in the inferred category (35.4 million tonnes grading 1.80 g/t), using a US\$450 per ounce gold price and a cut-off grade of 0.85 g/t gold. It was contained within two Lerchs Grossman optimizer open pit designs (West Pit and Calcite Zone), located in the area of the former Detour Lake mine, which produced 1.8 million ounces of gold from 1983 to 1999.

The Phase I drilling focused between surface to 350 metres depth over a strike length of 1.6 kilometres, on a 40 metre east-west and 80 metre north-south grid, covering such areas as the Gap Zone (area between the West Pit and Calcite Zone) and Calcite Zone that had very limited drilling in the past. The Company released a new resource estimate in December 2007, which included the results from Phase I and surface and underground historical drill holes (Amoco, Dome, Place Dome and Pelangio amounting to 4,911 holes totaling 533,721 metres).

December 2007 Mineral Resource

Resource Category	Tonnes (millions)	Grade Capped at 20 g/t Au (g/t Au)	Gold Ounces (capped) (000's)
Measured	19.7	1.93	1,221
Indicated	70.2	1.60	3,610
Total (M&I)	89.9	1.67	4,831
Inferred	63.3	1.49	3,025

Notes:

- (1) The mineral resources are classified as measured, indicated and inferred, and comply with the CIM mineral resource definitions referenced in National Instrument 43-101.
- (2) Base case assumes a gold price of US\$575/oz gold and US exchange rate of \$1.12 (cut-off grade of 0.64 g/t gold).
- (3) Mineral resources that are not mineral reserves do not have demonstrated economic viability.
- (4) The quantity and grade of reported inferred resources in this estimation are conceptual in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured resource category.

Details of the methodologies used in the mineral resource estimate are available in the NI 43-101 Technical Report that was filed on SEDAR in January 2008.

The Phase II drilling program started in July 2007 and by the end of 2007, Detour Gold had completed 170 holes totaling 60,175 metres (for a combined Phase I and II total of 304 holes totaling 109,497 metres in 2007). On January 16, 2008 and February 12, 2008, the Company released the results of 72 holes from its Phase II drill program completed in 2007. The results continue to confirm the grade and continuity of the Detour Lake deposit and to indicate the potential expansion of the deposit to the east and west of the Calcite Zone. Drilling resumed in January 2008 for the continuation of the Phase II program which was increased to a total of 120,000 metres. The Phase II program is expected to be completed by the second quarter of 2008.

The Detour Lake deposit has been traced over a strike length of 2.5 kilometres along the east-west Sunday Lake Deformation Zone. The mineralized corridor remains open west of the Calcite Zone and east of the West Pit over a total distance of 10 kilometres on Detour Gold's property. The mineralized system is also open to the north, in the hanging wall outside of the 200 metre wide corridor. Gold mineralization within the corridor typically consists of multiple, sub-vertical, 5-to-25-metre wide zones grading between 1.0 to 3.0 g/t gold.



MANAGEMENT'S DISCUSSION AND ANALYSIS

In the fall of 2007, Detour Gold awarded several contracts for the start of the feasibility study. The contract for open pit geotechnical investigations (pit slope design) was allocated to Golder Associates. Metallurgical testwork will be conducted by SGS Lakefield of Lakefield, Ontario under the supervision of Melis Engineering Ltd. of Saskatoon, Saskatchewan. Detailed mine design and pit optimization will be conducted by Patrice Live, Eng., from Montreal-based Breton, Banville & Associates (BBA). In January 2008, the Company retained Met-Chem Canada Inc. with the assistance of Micon International Ltd. to lead and manage the feasibility study. The total budget for the feasibility study contractors, excluding the drilling, amounts to approximately \$5.0 million.

Block A

On the Block A property, during the winter of 2007, Trade Winds and Detour Gold completed 53 drill holes totaling approximately 13,000 metres testing the M Zone structural corridor from surface to a depth of 300 metres. On October 16, 2007, Trade Winds announced the final drill results of its 2007 program. The Company intends to continue its exploration activities on Block A, subject to entering into a joint venture agreement with Trade Winds. Trade Winds is the operator during the exploration phase.

OUTLOOK FOR 2008

The Detour Lake property, being the only asset of the Company, will remain the focus of exploration and development efforts over the short to medium term. The Company will continue to advance the development of the project towards production. The Company's management has outlined the following program for the 2008 fiscal year:

- Complete a systematic 40 metre grid infill drill program on the Detour Lake deposit. This 2008 drill program (Phase II extension) will approximate 60,000 metres, of which 24,711 metres have been completed as of March 10, 2008. The program will be completed in the second quarter of 2008 at an estimated cost of approximately \$12 million.
- Release a mineral resource estimate by mid-2008, which will include Phase I and a portion of Phase II drilling currently ongoing.
- Complete a feasibility study by the end of 2008 at an estimated cost of approximately \$5 million.
- Complete a 12,000 metre exploration program, testing targets outside of the main deposit area, at an estimated budget of \$2 million. As of March 10, 2008, the program is 67.5% complete.
- Commence environmental studies, mainly an Environment Impact Assessment, at an estimated cost of \$2.7 million for 2008.
- Seek new opportunities in low-political risk jurisdictions.

MARKET TRENDS

The Company's profitability depends upon the world market price of gold. Gold prices have been increasing over the past three years. Overall, the gold price increased from US\$410 per ounce in 2004 to US\$445 per ounce in 2005, and although there was some volatility in late 2006, the average price over the year – US\$604 per ounce – was still a substantial increase from 2005. The gold price has averaged US\$695 per ounce during 2007 and closed at US\$836.50 on December 31, 2007. The closing gold price at March 10, 2008 was US\$969.25.

SELECTED ANNUAL INFORMATION

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles, and are expressed in Canadian dollars except common shares outstanding.

	December 31 2007	December 31 2006
	\$	\$
Interest Income	1,162,600	59,225
Operating Expenses	22,853,375	646,385
Net Loss	11,942,050	587,160
Basic and Diluted loss per share	0.32	0.12
Total Assets	128,138,922	9,548,048
Long-Term Liability	21,432,450	-

Detour Gold was incorporated on July 19, 2006 and did not commence significant activity until January 2007 when the Company completed its IPO of \$35 million and the acquisition of the Detour Lake property from Pelangio. The increase in interest income from 2006 to 2007 is reflective of a higher average cash balance during 2007. The Company's accounting policy is to expense exploration expenses until the reception of a positive feasibility study on its property; consequently, the operating expenses include \$17,561,066 in 2007 versus \$523,000 in 2006. At the time of closing the transaction contemplated by the Purchase Agreement in January 2007, Detour Gold and Pelangio agreed for income tax purposes, to select a transfer price jointly under the Income Tax Act of not less than \$10,300,000 which created a long-term future income tax liability of \$32,305,000. This amount was adjusted to \$21,432,450 at the end of the year to reflect the increase in the property value for tax purposes due to the expenses incurred and changes in future tax rates.



RESULTS OF OPERATIONS

The Company's net loss for the year ended December 31, 2007 was \$11,942,050 compared to \$587,160 for the period from July 19, 2006 to December 31, 2006. The 2006 loss consisted mainly of exploration expenses of \$523,000 with respect to the approved work program with Pelangio. During the 12 month period ended December 2007, operating expenses totaled \$22,853,375 with the main contributors being: (1) \$17,561,066 in exploration expenses of which \$16,420,739 was directed towards its Detour Lake project. Drilling and assaying activities accounted for \$10,653,232 of this amount and another \$3,171,883 was used to operate/supervise the drilling program and other related activities at the site; (2) non-cash stock-based compensation of \$2,659,164 was recorded in relation to the stock options granted in 2007 and for which the expense is recognized over the vesting period; and (3) salaries and management fees of \$1,503,493.

This was offset by a \$9,749,179 non-cash future tax assets recovery generated mainly by the exploration and other expenses incurred in 2007.

On Block A, where Trade Winds has earned a 50% interest, both companies conducted a common exploration drilling program in 2007. Trade Winds is the operator during the exploration phase. For the period ended December 31, 2007, the Company's share of exploration expenses was \$1,088,116 and was mainly related to drilling and assaying of \$729,673. The Company intends to continue its exploration activities on Block A, subject to entering into a joint venture agreement with Trade Winds.

SUMMARY OF QUARTERLY RESULTS

	Fourth Quarter 2007	Third Quarter 2007	Second Quarter 2007	First Quarter 2007	July 19, 06 (Inception) to December 31, 2006
<i>In Canadian dollars</i>					
Interest income	280,738	304,713	330,050	247,099	59,225
Net Loss (Earnings)	(2,182,173)	5,776,608	4,569,445	3,778,170	587,160
Loss (Earnings) per share ⁽¹⁾	(0.07)	0.14	0.11	0.14	0.12

⁽¹⁾ Loss per share remains the same on a fully diluted basis

During the period from the Company's incorporation on July 19, 2006 to December 31, 2007, the Company's activities have consisted substantially of establishing a business plan for the acquisition of the Detour Lake property. On January 31, 2007, the Company successfully completed an IPO and raised \$35,000,000, with such funds directed towards the advancement of the Detour Lake property. The decline in interest income over the last two quarters of 2007 is a result of decreasing cash balances on hand due to the incremental exploration expenditures. The earnings of the fourth quarter of 2007 is directly related to a \$9,259,179 non-cash year-end tax adjustment entry to reflect the increase in the property value for tax purposes as a consequence of the 2007 expenses incurred and change in future tax rates.

LIQUIDITY

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements to sophisticated investors and institutions. On January 31, 2007, the Company successfully completed its IPO of 10,000,000 common shares on the Toronto Stock Exchange ("TSX"). The common shares were issued at a price of \$3.50 per share for total gross proceeds to the Company of \$35,000,000.

As part of the IPO, 500,000 broker warrants with an exercise price of \$3.85 and expiry date of January 31, 2008 were issued. All warrants were exercised in 2007 except for 31,500 which were exercised in January 2008. The exercise of the warrants generated proceeds of \$1,925,000.

On February 21, 2008, Detour Gold announced that it had completed a bought deal private placement of 4,000,000 special warrants (the "Special Warrants"). The Special Warrants were issued to investors under applicable prospectus exemptions at a price of \$16.30 per Special Warrant, representing aggregate gross proceeds of \$65,200,000. Each Special Warrant entitles the holder to acquire, for no additional consideration, one common share of Detour Gold. The net proceeds of the offering will be used mainly to advance the exploration and development of the Detour Lake project. The private placement was underwritten by a syndicate of underwriters led by BMO Capital Markets ("BMO") and a 5% cash commission was paid in relation to the placement.

From the period between January 31, 2008 and the date of this MD&A, 126,400 stock options priced at \$6.09 and 183,000 priced at \$3.50 were exercised and accordingly, \$1,410,276 was added to the Company's cash balance.

The Company has not yet determined whether its property contains economically recoverable reserves. As a result, the Company has no current sources of revenue and relies on the issuance of shares to generate the funds required to advance its projects. Industry and market conditions have allowed the Company to raise \$100,200,000 in the last fourteen months but there can be no assurance of continued access to significant equity funding.



MANAGEMENT'S DISCUSSION AND ANALYSIS

As at March 10, 2008, the Company had working capital of approximately \$78.1 million which is sufficient to fund its known commitments and current work plan beyond 2008.

All funds are currently held in cash, bankers' acceptances, or term deposits. The Company held no asset backed commercial paper at any time during the period.

As at December 31, 2007, the Company had operating lease obligations terminating in 2010 as follows: 2008 - \$148,000, 2009 - \$148,000, 2010 - \$37,000. Apart from the above lease arrangements, the Company is not a party to any other lease or short or long-term contractual obligations that could adversely affect its working capital.

The Company has no long-term contractual obligations.

CAPITAL RESOURCES

The Company had no material commitments for capital expenditures as of December 31, 2007. The Company has no lines of credit or other sources of financing which have been arranged but are as yet unused.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The Company had the following transactions with related parties during the period ended December 31, 2007.

Hunter Dickinson Inc. ("HDI")

HDI carries out investor services, geological, corporate development, administrative and other management activities for, and incurs third party costs on behalf of, the Company on an as-needed and as-available basis. The Company reimburses HDI on a full cost-recovery basis. HDI has certain directors in common with the Company.

Costs for services rendered by HDI to the Company totaled \$2,359,367, for the year ended December 31, 2007.

Pelangio

On January 31, 2007, the Company acquired the Detour Lake property from Pelangio through the issuance of common shares of the Company and cash (the "Property Acquisition"). Pelangio is a Canadian public company which, as a result of this share issuance, became a significant shareholder of the Company effective January 31, 2007. To effect the Property Acquisition, the Company issued 20,000,000 common shares and paid \$5,000,000 to Pelangio. In addition to the Property Acquisition, the Company also paid to Pelangio \$1,533,840 for exploration work conducted on a cost-recovery-only basis on the Company's behalf at the Detour Lake property during the period from August 21, 2006 to January 31, 2007.

Director and Officer

During the year ended December 31, 2007, the Company paid fees totaling \$13,848 to a director of the Company and \$80,269 to a company owned by an officer of the Company for consulting and management services.

FOURTH QUARTER

During the fourth quarter of 2007, the Company's expenses totaled \$7,357,746. Exploration expenses accounted for \$5,110,069 and \$1,085,225 was attributable to the stock-based compensation as the expense for stock options granted is recognized over their vesting period. The expenses were offset by a non-cash year-end tax adjustment of \$9,259,179 year-end tax adjustment entry to reflect the increase in the property value for tax purposes as a consequence of the 2007 expenses incurred and change in future tax rates. Future similar tax entries will be recorded on a quarterly basis.

PROPOSED TRANSACTIONS

There are no material proposed asset or business acquisitions that have been approved by the board of directors requiring disclosure.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the balance sheet date, and the reported amounts of revenues and expenses and expenses during the reporting period. Significant areas requiring the use of management estimates include the estimation of mineral resources, the determination of potential impairments of mineral property interest, the valuation of future income tax assets and liabilities, the rates of amortization of property and equipment, the assumptions used in determining asset retirement obligations and the fair value of stock-based compensation and other stock-based payments. Actual amounts could differ from the estimates used and, accordingly, affect the results of operations.



MANAGEMENT'S DISCUSSION AND ANALYSIS

Mineral Resource

On December 11, 2007, the Company's reported a NI 43-101 compliant mineral resource estimate for the Detour Lake project. The project contains a measured resource of 19.7 million tonnes grading 1.93 g/t (1.2 million ozs), an indicated resource of 70.2 million tonnes grading 1.60 g/t (3.6 million ozs) and an inferred resource of 63.3 million tonnes grading 1.49 g/t (3.0 million ozs). This estimate assumed a US\$575/oz gold price, a cut-off grade of 0.64 g/t and US exchange rate of \$1.12. The mineral resource estimate was prepared for the Company by Thon Consulting and audited by Michael W. Kociumbas, P. Geo., Vice-President of Watts Griffis McOuat Limited, Consulting Geologists and Engineers.

Property and Equipment

As at December 31, 2007, the Company's net value of its property and equipment was \$387,420. The assets were purchased at a cost of \$408,499 and are being amortized over the estimated useful lives.

Future Income Tax Asset and Liability

At the time of closing the transaction contemplated by the Purchase Agreement in January 2007, Detour Gold and Pelangio agreed for income tax purposes, to select a transfer price jointly under the Income Tax Act of not less than \$10,300,000 which created a long-term future income tax liability of \$32,305,000 due to a temporary tax difference. This amount was adjusted to \$21,432,450 at the end of the year to reflect the increase in the property value for tax purposes as expenses incurred during the year qualified for Canadian Exploration Expenses and Canadian Exploration and Development Overhead Expenses combined with changes in future tax rates.

Stock-based compensation

The Company recorded stock-based compensation expense of \$2,659,164 for the year ended December 31, 2007. The stock-based compensation expense is based on an estimate of the fair value on the grant date of stock options issued. This accounting required estimates of interest rates, life of options, stock price volatility and the application of the Black-Scholes option pricing model.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

On December 1, 2006, the CICA issued three new accounting standards: Handbook section 1535 – Capital Disclosures, Handbook section 3862 – Financial Instruments, Disclosures and Handbook section 3863 – Financial Instruments, Presentations. Those standards are summarized in the notes to the Financial Statements and are applicable for periods beginning on January 1, 2008. The Company is currently assessing the impact of the new accounting standards on its financial statements.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company has not used any hedging or other financial instruments in the current fiscal year to date or in the prior three fiscal years.

OTHER MD&A REQUIREMENTS

Additional information, including the Company's Annual Information Form, is available on SEDAR at www.sedar.com.

Disclosure of Outstanding Share Data

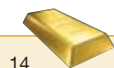
As at March 10, 2008, the date of this MD&A, the Company had outstanding the following securities:

	Number
Common shares	40,809,400
Special Warrants ¹	4,000,000
Share purchase options ²	2,865,100

1. Each Special Warrant entitles the holder to acquire, for no additional consideration, one common share of Detour Gold at the earlier of i) June 23, 2008 or ii) the third business day after the date of issuance of a receipt for the final prospectus qualifying the common shares underlying the Special Warrants.
2. The weighted average price of the options is \$5.07.

Disclosure Controls and Procedures

Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as of December 31, 2007. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures, as defined in Multilateral Instrument 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings, are effective to ensure that information required to be disclosed in reports filed or submitted by the Company under Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified in those rules.



Internal Control over Financial Reporting

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, are responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the Chief Financial Officer, the 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 ("GAAP"). The Company's controls include policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP; and
- 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 annual financial statements or interim financial statements.

There has been no change in the Company's internal control over financial reporting during the Company's year ended December 31, 2007 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

RISK FACTORS

An investment in the Company should be considered highly speculative. The following risk factors should be given special consideration when evaluating an investment in the Company.

Limited Property Portfolio

The Company's only mineral property is the Detour Lake property. Unless the Company acquires or develops additional material properties, the Company will be solely dependent upon the Detour Lake property. If no additional mineral properties are acquired by Detour Gold, any adverse development affecting the Detour Lake property would have a material adverse effect on Detour Gold's financial condition and results of operations.

Mining Exploration and Development

The Company's business operations are subject to risks and hazards inherent in the mining industry. The exploration for, and the development of, mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an orebody may result in substantial rewards, few properties that are explored are ultimately developed into producing mines.

The Company's exploration and future production may be hampered by mining, heritage and environmental legislation, industrial accidents, industrial disputes, cost overruns, land claims and compensation and other unforeseen contingencies. The success of the Company also depends on the delineation of economically recoverable reserves, the availability and cost of required development capital, movement in the price of commodities, securing and maintaining title to its exploration and mining tenements as well as obtaining all necessary consents and approvals for the conduct of its exploration and future development and production activities.

Risks involved in mining operations include unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of any material, any of which could result in damage to life or property, environmental damage and possible legal liability. Further, weather conditions over a prolonged period can adversely affect exploration, production, mining and drilling operations and the timing of earning revenues.

Whether income will result from any of the Company's projects will depend on the successful establishment of mining operations. Various factors, including costs, actual mineralization, consistency and reliability of ore grades, and commodity prices affect successful project



MANAGEMENT'S DISCUSSION AND ANALYSIS

development, future cash flow and profitability, and there can be no assurance that current estimates of these factors will reflect actual results and performance. The design and construction of efficient processing facilities, the existence of competent operational management and prudent financial administration, as well as the availability and reliability of appropriately skilled and experienced consultants also can affect successful project development.

The recoverability of amounts for mineral properties and related deferred exploration costs is dependent upon the confirmation of the Company's interest in the underlying claims, the Company's ability to obtain necessary financing to complete development, future profitable production or, alternatively, upon disposition of such properties at a profit.

Financial Capability and Additional Financing

The Company has sufficient financial resources to undertake its presently planned exploration and development programs. However, the Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for further exploration and development of its Detour Lake property. There can be no assurance that the Company will be able to obtain sufficient financing in the future to carry out exploration and development work on the Detour Lake property. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions as well as the business performance of the Company. Failure to obtain sufficient financing may result in delaying or the indefinite postponement of exploration, development or production on any or all of the Company's properties or even a loss of property interest. With respect to the property known as Block A, if the Company cannot obtain adequate funds or funds on reasonable terms it may elect not to fund future work programs on Block A, and its interest in the property will suffer dilution. According to the terms of the Trade Winds Agreement as assigned to the Company by Pelangio, the Company has the option, but not the obligation, to assume operatorship of the project.

There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company. Additional funds will be required for future exploration and development of the Detour Lake property.

If the Company raises additional funds through the sale of equity securities, shareholders may have their investment further diluted.

Fluctuating Gold Prices

The Company's future profitability and viability of development depends upon the world market price of gold, amongst other things. Prices fluctuate widely and are affected by numerous factors beyond the Company's control. The prices of metals are influenced by factors including industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales of gold and other metals by producers and speculators as well as other global or regional political, social or economic events. The supply of gold and other metals consists of a combination of new mine production and existing stocks held by governments, producers, speculators and consumers.

If the market price for gold falls significantly, it could affect the Company's decision to proceed with further exploration and could materially and adversely affect the Company's ability to finance the development of the Detour Lake project. Furthermore, the economic prospects of the projects in which the Company has an interest could be significantly reduced or rendered uneconomic.

Gold prices have fluctuated widely in recent years. There is no assurance that, even as commercial quantities of gold may be produced in the future, a profitable market will exist for them.

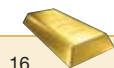
A decline in the market price of gold may also require the Company to reduce its mineral resources, which could have a material and adverse effect on the Company's value.

Resource Estimates

The mineral resource figures included herein are estimates only and no assurance can be given that any particular level of recovery of gold or other mineral from resources will in fact be realized or that an identified mineral deposit will ever qualify as a commercially mineable (or viable) orebody which can be economically exploited. Mineral resources which are not mineral reserves do not have demonstrated economic viability. Any material change in the quantity of mineralization, grade or stripping ratio, or the gold price may affect the economic viability of any property held by the Company. In addition, there can be no assurance that gold recoveries or other metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. 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, profitability, results of operations and financial condition. Until mineral resources are actually mined and processed, the quantity of mineral and resource grades must be considered as estimates only.

Detour Mine Option

The Mine Option Property is under a mine option ("Mine Option") from Goldcorp pursuant to the Option and Access Agreement. The Mine Option may be exercised at any time on or before the expiry of 120 days from the date of completion by Goldcorp of the reclamation of the Mine Site. The exercise by the Company of the Mine Option could result in the Company assuming reclamation obligations under the



MANAGEMENT'S DISCUSSION AND ANALYSIS

Mine Closure Plan filed with the Director of Mine Rehabilitation, Ministry of Northern Development and Mines ("MNDM"). The Company may only engage in the exploration activities on the Mine Option Property that are permitted under the Option and Access Agreement until the Company either exercises the Mine Option and acquires the Mine Option Property or obtains Goldcorp's consent to any additional activities. No assurances can be given that Goldcorp would consent to such additional activities or consent on terms acceptable to the Company. Under Ontario law, the option to acquire the Mine Option Property automatically expires on December 10, 2019 (the "Expiry Date"), notwithstanding that the option purports to be perpetual. If the option is not exercised by such date, the Company would have no rights under the option against the grantor of the option or its successors. No assurance can be given that the Mine Option will be exercised prior to the Expiry Date.

Permits

There is no assurance that the Company can obtain, or that there will not be delays in obtaining, the permits necessary to develop the Detour Lake Project, including government approvals and permits required in connection with the Company's future mining operations. Furthermore, the Company may only engage in the exploration activities on the Mine Option Property that are permitted under the Option and Access Agreement, until the Company either exercises the Mine Option and acquires the Mine Option Property, or obtains Goldcorp's consent to any additional activities. While Detour Gold has received permission from Goldcorp to conduct its 2008 drill exploration program on the Mine Option Property, there is no assurances that Goldcorp will consent to any additional activities or consent on terms acceptable to Detour Gold.

To the extent such approvals or consents are required and are delayed or not obtained, the Company may be curtailed or prohibited from proceeding with planned development of, or commencing mining operations on, the Detour Lake property.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or require abandonment or delays in development of new mining properties.

Aboriginal Title and Rights Claims

Aboriginal title and rights may be claimed with respect to Crown properties or other types of tenure with respect to which mining rights have been conferred. Detour Gold has commenced consultations with both the Moose Cree First Nation and the Taykwa Tagamou Nation respecting its plans for the Detour Lake Project. Detour Gold is not aware of any aboriginal land claims having been formally asserted or any legal actions relating to aboriginal issues having been instituted with respect to the Detour Lake property. However, the Moose Cree First Nation have indicated that there is a need to consult and engage with aboriginal communities respecting the project. There can be no assurance that treaty or aboriginal rights will not be asserted during the course of the consultations. There can be no assurance that such events will not occur or that title and rights claims will not be asserted in the future in respect of the Company's properties. In addition, other parties may dispute the Company's title to its properties and its properties may be subject to prior unregistered agreements or transfers or land claims by aboriginal peoples, and title may be affected by undetected encumbrances or defects or government actions.

Environmental and Safety Regulations and Risks

Environmental laws and regulations affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. Furthermore the permission to operate could be withdrawn temporarily where there is evidence of serious breaches of health and safety, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or non-compliance with environmental laws or regulations. Environmental legislation is evolving in a manner that may mean stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Permits from a variety of regulatory authorities are required for many aspects of mine development, operation and reclamation. Future legislation and regulations could cause additional expense, capital expenditures, restrictions, liabilities and delays in the development of the Detour Lake Project, the extent of which cannot be predicted. In the context of environmental permits, including the approval of reclamation plans, the Company must comply with standards and laws and regulations which may entail costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority.



Management

The success of the Company is currently largely dependent on the performance of its officers. Shareholders will be relying on the good faith, experience and judgment of the Company's management and advisors in supervising and providing for the effective management of the business of the Company. There is no assurance the Company can maintain the services of its officers or other qualified personnel required to operate its business. The loss of the services of these persons could have a materially adverse effect on the Company's business and prospects.

Competitive Conditions

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial resources and technical facilities. Competition in the precious metals mining industry is primarily for mineral rich properties which can be developed and produced economically and businesses compete for 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 operation and business.

Conflict of Interest

Certain directors of the Company also serve as directors of other companies involved in natural resource exploration, development and production. Consequently, there exists the possibility that such directors will be in a position of conflict of interest. Any decision made by such directors involving these other companies will be made in accordance with the duties and obligations to deal fairly and in good faith with the Company and these other companies. In addition, such directors must declare, and refrain from voting on, any matter in which such directors may have a material conflict of interest.

Messrs. Thiessen, and Dickinson who are directors of the Company, are also directors of Hunter Dickenson Inc. ("HDI"). Mr. Thiessen is also a senior officer of HDI. HDI and the Company are parties to a services agreement dated July 19, 2006. Ms. Hibbard and Mr. Olson are each directors and shareholders, and in the case of Ms. Hibbard, an officer, of Pelangio and are also directors of the Company. Pelangio owns approximately 49% of the Company's outstanding Common Shares, on an undiluted basis.

Government Regulation

The Company's planned mineral exploration and development activities will be subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development.

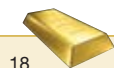
Many of the mineral rights and interests of the Company are subject to government approvals, licences and permits. The granting and enforcement of the terms of such approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. No assurance can be given that the Company will be successful in maintaining any or all of the various approvals, licences and permits in full force and effect without modification or revocation. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from continuing or proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws and regulations governing operations or more stringent implementation thereof could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or development costs or reduction in levels of production at producing properties, if any, or require abandonment or delays in development of new mining properties.

Reclamation Obligation and Use of Estimates

The Company's management estimates the cost to complete the reclamation of the Mine Site to be approximately \$2.5 million to \$5.0 million. These costs would become the responsibility of the Company if the Company assumed the reclamation obligations in connection with the exercise of the Mine Option and acquisition of the Mine Option Property prior to the completion of the reclamation of the Mine



MANAGEMENT'S DISCUSSION AND ANALYSIS

Site by Goldcorp. These costs represent management's estimate of the reclamation obligations based on information currently available to the Company. The actual cost of completing the reclamation could be significantly higher, in which event the Company may decide not to exercise the Mine Option. Management estimates that the reclamation of the Mine Site to the satisfaction of the MNDM will be completed by 2010. The date of completion of the reclamation at the Mine Site is an estimate only and is based upon information currently available to the Company. The actual date of completion of the reclamation could be significantly later.

Limited Operating History

The Company has not yet recorded any revenues from its operations nor has the Company commenced commercial production on the Detour Lake property. The Company does not expect to generate revenues from operations in the foreseeable future. The Company expects to continue to incur losses unless and until such time as the Detour Lake Project enters into commercial production and generates sufficient revenues to fund its continuing operations. There can be no assurance that the Company will generate any revenues or achieve profitability or that the Detour Lake property or any of the properties it may hereafter acquire or obtain an interest in will generate earnings, operate profitably or provide a return on investment in the future. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate. There can be no assurance that significant additional losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as needed consultants, personnel and equipment associated with advancing exploration, development and commercial productions of its properties are added. The amount and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analysis and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, the Company's acquisition of additional properties and other factors, many of which are beyond the Company's control.

Infrastructure

Mining, processing, development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. The Detour Lake Project will need sufficient infrastructure to commence and continue mining operations, and will need access to start-up and ongoing capital to establish and maintain the infrastructure necessary to operate a mine on the Detour Lake property. There is no assurance that such infrastructure can be put in place or that the capital will be available to Detour Gold on satisfactory terms, or at all, in order to build and maintain such infrastructure, which would have a material adverse effect on Detour Gold financial condition and results of operation. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could also adversely affect the Company's operations, financial condition and results of operations.

Joint Ventures

The existence or occurrence of one or more of the following circumstances and events could have a material adverse impact on the Company's future profitability, which could have a material adverse impact on the Company's future cash flows, earnings, results of operations and financial condition:

- i) disagreement with joint venture partners on how to develop and operate mines efficiently;
- ii) inability of joint venture partners to meet their obligations to the joint venture or third party; and
- iii) litigation between joint venture partners regarding joint venture matters.

Third Party Claims on the Detour Lake Property

Title to, and the area of, resource claims may be disputed and additional amounts may be paid to surface rights owners in connection with any development of mining activity. Although the Company is satisfied, based on due diligence conducted by the Company, that its rights to the Detour Lake property are valid, there may be challenges, including aboriginal land claims, on the Detour Lake property which, if successful, could impair the exploration, development and/or future mining operations.

No History of Earnings or Dividends

The Company has no history of earnings and as such the Company has not paid dividends on its common shares since incorporation and does not anticipate doing so in the foreseeable future. Payment of any future dividends will be at the discretion of the board of directors after taking into account many factors, including operating results, financial condition and anticipated cash needs.

Insurance and Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, ground or slope failures, fires, floods, earthquakes, cyclones and other environmental occurrences, as well as political and social instability that could result in damage to or destruction of mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining caused by industrial accidents or labour disputes or changes in regulatory environment, monetary losses and possible legal liability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks



MANAGEMENT'S DISCUSSION AND ANALYSIS

such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. Although the Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all potential risks associated with its operations, and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company.

Forward-Looking Statements

This MD&A of the Company contains certain forward-looking information, as defined in applicable securities laws (referred to herein as "forward-looking statements"). Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved.

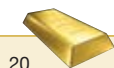
Specifically, this MD&A includes forward-looking statements regarding:

- *the Company's intent to advance the Detour Lake project towards the development stage, including the Company's strategies and objectives with respect to the Detour Lake property, and specifically the Mine Option Property;*
- *the Company's planned drilling program and feasibility study for 2008 and the continuation of exploration programs on the Detour Lake property;*
- *the Company's estimate of the quantity and quality of its mineral resources;*
- *the acquisition of additional mineral properties by the Company;*
- *prices and price volatility for gold;*
- *the ability of the Company to obtain all government approvals, permits and third party consents in connection with the Company's exploration and development activities;*
- *the Company's estimates of any reclamation obligations that would be assumed in connection with the exercise of the Mine Option by the Company prior to the completion of reclamation by Goldcorp;*
- *the Company's future exploration and capital costs, including the costs and potential impact of complying with existing and proposed environmental laws and regulations; and*
- *general business and economic conditions.*

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. These risks, uncertainties and other factors include, but are not limited to, gold price volatility, change in equity markets, the uncertainties involved in interpreting geological data, increase in costs, exchange rate fluctuations and other risks involved in the gold exploration and development industry, as well as those risk factors listed above. Readers are cautioned that the forgoing list of factors is not exhaustive of the factors that may affect the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about the following:

- *the availability of financing for the Company's exploration and development activities;*
- *the Company's ability to attract and retain skilled staff;*
- *the estimated timeline for the development of the Detour Lake project;*
- *the supply and availability of consumables and services;*
- *the accuracy of the Company's resource estimates and the geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral resources) and operational and price assumptions on which the resource estimates are based;*
- *the Company's ongoing relations with its employees; and*
- *general business and economic conditions.*

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law.



MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Detour Gold Corporation (A Development Stage Company) were prepared by management in accordance with Canadian generally accepted accounting principles. Management acknowledges responsibility for the preparation and presentation of the financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The significant accounting policies of the Company are summarized in note 2 to the financial statements.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the financial statements and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The members of the Audit Committee are not officers of the Company. The Audit Committee meets with management as well as with the independent auditors to review the internal controls over the financial reporting process, the financial statements and the auditors' report. The Audit Committee also reviews the Annual Report to ensure that the financial information reported therein is consistent with the information presented in the financial statements. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.



Gerald S. Panneton
President and Chief Executive Officer



Erik H. Martin
Chief Financial Officer

Toronto, Canada
March 10, 2008

AUDITORS' REPORT

To the Shareholders of Detour Gold Corporation (A Development Stage Company)

We have audited the balance sheets of Detour Gold Corporation (A Development Stage Company) as at December 31, 2007 and 2006 and the related statements of loss and comprehensive loss, changes in shareholders' equity, cash flows and schedule of exploration expenditures for the year ended December 31, 2007, for the period from inception (July 19, 2006) to December 31, 2006, and for the period from inception (July 19, 2006) to December 31, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2007 and 2006 and the results of its operations and its cash flows for the year ended December 31, 2007, for the period from inception (July 19, 2006) to December 31, 2006, and for the period from inception (July 19, 2006) to December 31, 2007 in accordance with Canadian generally accepted accounting principles.



McGOVERN, HURLEY, CUNNINGHAM, LLP
Chartered Accountants
Licensed Public Accountants

Toronto, Canada
February 20, 2008, except for
Note 15, which is at March 10, 2008



BALANCE SHEETS

Detour Gold – A Development Stage Company
(expressed in Canadian dollars unless otherwise noted)
As at December 31,

	2007	2006
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 18,918,777	\$ 8,022,023
Amounts receivable and prepaids	638,645	72,225
	19,557,422	8,094,248
Deferred transaction costs	-	453,800
Property and equipment (note 3)	387,420	-
Mineral property interests (note 4)	108,194,080	1,000,000
	\$ 128,138,922	\$ 9,548,048
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 10)	\$ 2,270,756	\$ 636,067
Future income tax liability (note 9)	21,432,450	-
	23,703,206	636,067
Shareholders' equity		
Share capital (note 5 and statement)	114,280,877	5,000
Subscription receipts (note 5(a) and statement)	-	9,494,141
Contributed surplus (statement)	2,684,049	-
Accumulated deficit (statement)	(12,529,210)	(587,160)
	104,435,716	8,911,981
	\$ 128,138,922	\$ 9,548,048

Nature and continuance of operations (note 1)
Commitments and contingencies (notes 4 and 12)
Subsequent events (note 15)

Approved on behalf of the Board of Directors:



Gerald S. Panneton
Director



Ronald W. Thiessen
Director

The notes to the financial statements are an integral part of these financial statements.



STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

Detour Gold – A Development Stage Company
(expressed in Canadian dollars unless otherwise noted)

	Year ended December 31, 2007	For the period from inception (July 19, 2006) to December 31, 2006	Cumulative from inception (July 19, 2006) to December 31, 2007
Expenses			
Amortization	\$ 2,720	\$ -	\$ 2,720
Conference and travel	209,580	11,589	221,169
Exploration (schedule)	17,561,066	523,000	18,084,066
Interest expense	2,852	11,712	14,564
Investor relations and promotion	221,903	-	221,903
Professional fees	290,797	23,488	314,285
Office and administration	282,293	58,173	340,466
Regulatory fees	57,742	5,731	63,473
Salaries and management fees	1,503,493	-	1,503,493
Shareholder information	61,765	12,692	74,457
Stock-based compensation - exploration (note 6)	800,432	-	800,432
Stock-based compensation - operations and administration (note 6)	1,858,732	-	1,858,732
	22,853,375	646,385	23,499,760
Net loss before the under noted	(22,853,375)	(646,385)	(23,499,760)
Foreign exchange gain (loss)	(454)	-	(454)
Interest income	1,162,600	59,225	1,221,825
Net loss before future income tax recovery	(21,691,229)	(587,160)	(22,278,389)
Future income tax recovery (note 9)	9,749,179	-	9,749,179
Net loss and comprehensive loss	\$ (11,942,050)	\$ (587,160)	\$ (12,529,210)
Loss per share (note 8)	\$ (0.32)	\$ (0.12)	
Weighted average number of common shares	37,230,108	5,000,000	

The notes to the financial statements are an integral part of these financial statements.



STATEMENTS OF CASH FLOWS

Detour Gold – A Development Stage Company
(expressed in Canadian dollars unless otherwise noted)

	Year ended December 31, 2007	For the period from inception (July 19, 2006) to December 31, 2006	Cumulative from inception (July 19, 2006) to December 31, 2007
Cash provided by (used in)			
OPERATING ACTIVITIES			
Net loss	\$ (11,942,050)	\$ (587,160)	\$ (12,529,210)
Items not involving cash:			
Accrued interest income	(66,042)	-	(66,042)
Amortization	2,720	-	2,720
Amortization included in exploration	18,359	-	18,359
Future income taxes	(9,749,179)	-	(9,749,179)
Stock-based compensation	2,659,164	-	2,659,164
	(19,077,028)	(587,160)	(19,664,188)
Changes in non-cash working capital items:			
Amounts receivable and prepaids	(500,378)	(72,225)	(572,603)
Accounts payable and accrued liabilities	1,634,689	636,067	2,270,756
	(17,942,717)	(23,318)	(17,966,035)
INVESTING ACTIVITIES			
Acquisition of mineral property interests	(4,750,000)	(1,139,080)	(5,889,080)
Purchase of property and equipment	(408,499)	-	(408,499)
	(5,158,499)	(1,139,080)	(6,297,579)
FINANCING ACTIVITIES			
Securities issued for cash	35,000,000	9,499,141	44,499,141
Exercise of warrants for cash	1,803,726	-	1,803,726
Share issuance costs	(2,805,756)	(314,720)	(3,120,476)
	33,997,970	9,184,421	43,182,391
Increase in cash and cash equivalents	10,896,754	8,022,023	18,918,777
Cash and cash equivalents, beginning of period	8,022,023	-	-
Cash and cash equivalents, end of period	\$ 18,918,777	\$ 8,022,023	\$ 18,918,777
Components of cash and cash equivalents are as follows:			
Cash	\$ 18,918,777	\$ 522,023	
Cash equivalents	-	7,500,000	
	\$ 18,918,777	\$ 8,022,023	

Supplemental information (note 14)

The notes to the financial statements are an integral part of these financial statements.



STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Detour Gold – A Development Stage Company
(expressed in Canadian dollars unless otherwise noted)

	Number of common shares	Year ended December 31, 2007	Number of common shares	For the period from inception (July 19, 2006) to December 31, 2006	Number of common shares	Cumulative from inception (July 19, 2006) to December 31, 2007
Share Capital						
Authorized						
The Company's authorized share capital consists of an unlimited number of common shares without par value						
Common shares issued and outstanding:						
Balance, beginning of period	5,000,000	\$ 5,000	-	\$ -	-	\$ -
Seed capital issued	-	-	5,000,000	5,000	5,000,000	5,000
Shares issued to subscription receipt holders, net (note 5(a))	5,000,000	9,494,141	-	-	5,000,000	9,494,141
Shares issued in initial public offering ("IPO") (note 5(b))	10,000,000	35,000,000	-	-	10,000,000	35,000,000
Costs related to the initial public offering (note 5(b))	-	(2,392,105)	-	-	-	(2,392,105)
Shares issued to acquire the Detour Lake property (note 4)	20,000,000	70,000,000	-	-	20,000,000	70,000,000
Shares issued upon exercise of warrants	468,500	1,803,726	-	-	468,500	1,803,726
Fair value of shares issued upon exercise of warrants transferred from contributed surplus	-	370,115	-	-	-	370,115
Balance, end of period	40,468,500	\$ 114,280,877	5,000,000	\$ 5,000	40,468,500	\$ 114,280,877
Subscription receipts						
Balance, beginning of period		\$ 9,494,141		\$ -		\$ -
Subscription receipts issued, net of costs (note 5(a))		-		9,494,141		9,494,141
Transfer of subscription receipts issued upon issue of common shares (note 5(a))		(9,494,141)		-		(9,494,141)
Balance, end of period		\$ -		\$ 9,494,141		\$ -
Contributed surplus						
Balance, beginning of period		\$ -		\$ -		\$ -
Stockbased compensation (note 6)		2,659,164		-		2,659,164
Fair value of warrants issued (note 7)		395,000		-		395,000
Fair value of warrants exercised (note 7)		(370,115)		-		(370,115)
Balance, end of period		\$ 2,684,049		\$ -		\$ 2,684,049
Accumulated deficit						
Balance, beginning of period		\$ (587,160)		\$ -		\$ -
Net loss		(11,942,050)		(587,160)		(12,529,210)
Balance, end of period		\$ (12,529,210)		\$ (587,160)		\$ (12,529,210)
Total shareholders' equity		\$ 104,435,716		\$ 8,911,981		\$ 104,435,716

The notes to the financial statements are an integral part of these financial statements.

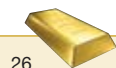


SCHEDULE OF EXPLORATION EXPENSES

Detour Gold – A Development Stage Company
(expressed in Canadian dollars unless otherwise noted)

	Massicotte, Quebec, Canada	Detour Lake, Ontario, Canada	Block A, Ontario, Canada	Year ended December 31, 2007	For the period from inception (July 19, 2006) to December 31, 2006	Cumulative from inception (July 19, 2006) to December 31, 2007
Expenditures						
Administration	\$ -	\$ 122,488	\$ -	\$ 122,488	\$ -	\$ 122,488
Air transport	12,434	76,425	-	88,859	-	88,859
Amortization	-	18,359	-	18,359	-	18,359
Assays and analysis	-	1,366,757	207,353	1,574,110	-	1,574,110
Drilling	-	9,286,475	522,320	9,808,795	-	9,808,795
Engineering	-	838,212	-	838,212	5,823	844,035
Environmental	-	251,889	-	251,889	9,145	261,034
Equipment rentals and leases	-	76,154	8,528	84,682	11,925	96,607
Feasibility	-	39,008	-	39,008	-	39,008
Geological	39,777	961,614	116,520	1,117,911	171,966	1,289,877
Graphics	-	75,579	-	75,579	23,259	98,838
Professional fees	-	-	1,260	1,260	-	1,260
Property fees and assessments	-	32,612	6,822	39,434	-	39,434
Site activities	-	3,171,883	183,182	3,355,065	300,882	3,655,947
Travel and accommodation	-	103,284	42,131	145,415	-	145,415
Total expenditures	\$ 52,211	\$ 16,420,739	\$ 1,088,116	\$ 17,561,066	\$ 523,000	\$ 18,084,066

The notes to the financial statements are an integral part of these financial statements.



NOTES TO FINANCIAL STATEMENTS

December 31, 2007 and 2006
(Expressed in Canadian Dollars unless otherwise noted)

1. NATURE AND CONTINUANCE OF OPERATIONS

Detour Gold Corporation (the "Company" or "Detour Gold") (A Development Stage Company) was incorporated on July 19, 2006 under the *Canada Business Corporations Act* as 6600964 Canada Inc. On August 21, 2006, the Company's name was changed to Detour Gold Corporation. The principal business of the Company is the acquisition, exploration and development of mineral property interests. Detour is a development stage company, as defined by Accounting Guideline 11 of the Canadian Institute of Chartered Accountants' ("CICA") Handbook.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that planned exploration and development programs will result in profitable mining operations. The recoverability of amounts shown for mineral property interests is dependant upon completion of the acquisition of the mineral property interests, the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and future profitable production or, alternatively, upon disposition of such property at a profit. Changes in future conditions could require material write-downs of the carrying values of mineral property interests.

Although the Company has taken steps to verify title to its mineral property interests, in accordance with industry standards for the current stage of exploration of such property, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, aboriginal claims, and noncompliance with regulatory requirements.

The Company has no revenues and the ability of the Company to ensure continuing operations is dependent on the Company, raising sufficient funds to finance exploration activities, identifying a commercial ore body, developing such mineral property interests, and upon the future profitable production or proceeds from the disposition of the mineral property interests. Management of the Company believes that it has sufficient funds to pay its ongoing administration expenses and meet its liabilities for the ensuring year as they fall due.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian generally accepted accounting principles and their basis of application is consistent with that of the previous period. Outlined below are those policies considered particularly significant.

(a) Cash and cash equivalents

Cash and cash equivalents consist of cash and highly liquid investments, having maturity dates of three months or less from the date of purchase, which are readily convertible to known amounts of cash.

(b) Property and equipment amortization

Mobile equipment is stated at cost less accumulated amortization. Amortization is provided on a straight-line basis over five years, which represents the estimated useful lives of the related equipment. Amortization of property and equipment used directly in exploration projects is included in exploration expenses.

Furniture and fixtures is amortized on a straight-line basis over 5 years. Computer equipment and software is amortized on a straight-line basis over 3 years.

(c) Mineral property interests

The acquisition costs of mineral property interests are deferred until the properties are placed into production, sold or abandoned. These costs are amortized on a unit-of-production basis over the estimated useful life of the related property following the commencement of production, or written off if the properties are sold, allowed to lapse or abandoned, or when impairment has been determined to have occurred. If the deferred mineral property costs are determined not to be recoverable over the estimated useful life of the property or are greater than the estimated fair market value of the property, the unrecoverable portion is charged to operations in that period.

The acquisition costs of mineral property interests include the cash consideration and the estimated fair market value of common shares, based on the trading price of the shares, on the date of issue or as otherwise provided under the agreement terms for the mineral property interests.

Exploration costs and option payments are expensed in the period incurred. Option payments which are solely at the Company's discretion are recorded as they are made.

Administrative expenditures are expensed in the period incurred.

(d) Impairment of long-lived assets

The Company reviews and evaluates its long-lived assets, including its mineral property interests and property and equipment, for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the asset. Measurement of an impairment loss is based on the excess of the estimated fair value of the asset over its carrying value.



(e) Income taxes

The Company uses the asset and liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are computed based on differences between the carrying amount of assets and liabilities on the balance sheet and their corresponding tax values, generally using the enacted or substantively enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Future income tax assets also result from unused loss carry-forwards and other deductions. Future tax assets are recognized to the extent that they are considered more likely than not to be realized. The valuation of future income tax assets is adjusted, if necessary, by the use of a valuation allowance to reflect the estimated realizable amount.

(f) Asset retirement obligations

The Company records the fair value of an asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of tangible long lived assets that result from the acquisition, construction, development and/or normal use of the assets. The Company also records a corresponding asset amount which is amortized over the remaining service life of the asset being retired. Subsequent to the initial measurement of the asset retirement obligation, the obligation is adjusted at the end of each period to reflect the passage of time (accretion expense) and changes in the estimated future cash flows underlying the obligation (asset retirement cost).

Management is not presently aware of any material asset retirement obligations other than the contingent liability as discussed in note 4.

(g) Share capital

The Company records proceeds from share issuances net of issue costs. Shares issued for consideration other than cash are valued at the quoted market price on the date of issue. Share issue costs are deducted from share capital.

(h) Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the earnings (loss) for the period by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of diluted earnings (loss) per share assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are used to repurchase common shares at the average market price during the period.

(i) Segment disclosures

The Company currently operates in a single segment – the acquisition, exploration and development of mineral properties. All of the Company's activities are conducted in Canada.

(j) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the balance sheet date, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates include the determination of potential impairments of mineral property interests, the valuation of future income tax assets and liabilities, the rates for amortization of property and equipment, the assumptions used in determining asset retirement obligations and the fair value of stock-based compensation and other stock-based payments. Actual results could differ from those estimates.

(k) Stock-based compensation

The Company records all stock-based compensation and other stock-based payments using the fair value method.

Under the fair value method, stock-based payments are measured at the estimated fair value of the consideration received or the estimated fair value of the equity instruments issued or liabilities incurred, whichever is more reliably measurable, and are charged to operations over the vesting period with a corresponding credit to contributed surplus.

Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus is transferred to share capital.

(l) Translation of foreign currencies

Monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date and non-monetary assets and liabilities at the exchange rates in effect at the time of acquisition or issue. Revenues and expenses are translated at exchange rates in a manner that produces substantially the same reporting amounts that would have resulted had the underlying transactions been translated on the dates they occurred. Exchange gains or losses arising on translation are included in net loss for the period.

(m) Change in accounting policies

On January 1, 2007, the Company adopted CICA Handbook Sections 1530, "Comprehensive Income", Section 3251 "Equity", Section 3855, "Financial Instruments – Recognition and Measurement", Section 3861, "Financial Instruments – Disclosure and Presentation" and Section 3865, "Hedges".



NOTES TO FINANCIAL STATEMENTS

Comprehensive Income

Section 1530 establishes standards for reporting and presenting comprehensive income, which is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income that are excluded from net income calculated in accordance with Canadian generally accepted accounting principles.

Financial Instruments – Disclosure and Presentation

Section 3861 establishes standards for presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them. Under the new standards, policies followed for periods prior to the effective date generally are not reversed and therefore, the comparative figures have not been restated except for the requirement to restate currency translation adjustments as part of other comprehensive income. Section 3865 describes when and how hedge accounting can be applied as well as the disclosure requirements. Hedge accounting enables the recording of gains, losses, revenues and expenses from derivative financial instruments in the same period as for those related to the hedged item.

Financial Instruments - Recognition and Measurement

Section 3855 prescribes when a financial asset, financial liability or non-financial derivative is to be recognized on the balance sheet and at what amount, requiring fair value or cost-based measures under different circumstances. Under Section 3855, financial instruments must be classified into one of these five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments, including derivatives, are measured in the balance sheet at fair value except for loans and receivables, held to maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification, as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net earnings; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is derecognized or impaired at which time the amounts would be recorded in net earnings.

Accounting Changes

In July 2006, the Accounting Standards Board (“AcSB”) issued a replacement of CICA Handbook Section 1506, Accounting Changes. The new standard allows for voluntary changes in accounting policy only when they result in the financial statements providing reliable and more relevant information, requires changes in accounting policy to be applied retrospectively unless doing so is impracticable, requires prior period errors to be corrected retrospectively and calls for enhanced disclosures about the effects of changes in accounting policies, estimates and errors on the financial statements. The impact that the adoption of Section 1506 will have on the Company’s results of operations and financial condition will depend on the nature of future accounting changes.

Accounting Policy Choice for Transaction Costs

On June 1, 2007, the Emerging Issues Committee of the CICA issued Abstract No. 166, Accounting Policy Choice for Transaction Costs (EIC-166). This EIC addresses the accounting policy choice of expensing or adding transaction costs related to the acquisition of financial assets and financial liabilities that are classified as other than held-for-trading. Specifically, it requires that the same accounting policy choice be applied to all similar financial instruments classified as other than held-for-trading, but permits a different policy choice for financial instruments that are not similar. EIC-166 is effective on September 30, 2007 and requires retroactive application to all transaction costs accounted for in accordance with CICA Handbook Section 3855, Financial Instruments – Recognition and Measurement.

The Company has evaluated the impact of these sections on its financial statements and determined that no adjustments were required on adoption.

(n) Future accounting changes

Capital Disclosures and Financial Instruments – Disclosures and Presentation

On December 1, 2006, the CICA issued three new accounting standards: Handbook Section 1535, Capital Disclosures, Handbook Section 3862, Financial Instruments – Disclosures, and Handbook Section 3863, Financial Instruments – Presentation. These standards are effective for interim and annual financial statements for the Company’s reporting period beginning on January 1, 2008.

Section 1535 specifies the disclosure of (i) an entity’s objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

The new Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

The Company is currently assessing the impact of these new accounting standards on its financial statements.

In January 2006, the CICA Accounting Standards Board (“AcSB”) adopted a strategic plan for the direction of accounting standards in Canada. As part of the plan, accounting standards in Canada for public companies are expected to converge with International Financial Reporting Standards (“IFRS”) by the end of 2011. The Company continues to monitor and assess the impact of convergence of Canadian GAAP and IFRS.



NOTES TO FINANCIAL STATEMENTS

(o) Comparative figures

Certain comparative figures have been reclassified to conform with the presentation adopted in 2007.

3. PROPERTY AND EQUIPMENT

December 31, 2007	Cost	Accumulated amortization	Net carrying value
Mobile equipment	\$ 352,080	\$ 9,720	\$ 342,360
Furniture and fixtures	20,401	2,720	17,681
Computer equipment and software	36,018	8,639	27,379
	\$ 408,499	\$ 21,079	\$ 387,420

No comparative figures existed at December 31, 2006.

4. MINERAL PROPERTY INTERESTS

Detour Lake Property

In August 2006, the Company entered into an agreement and subsequent amending agreements with Pelangio Mines Inc. ("Pelangio") whereby Pelangio's Detour Lake property would be acquired by the Company. The Detour Lake property consists of various claims in Lower Detour Lake and West of Sunday Lake areas, Ontario, and Massicotte Township, Québec, including an option to acquire the Detour Lake mine property ("Mine Option Property") from Goldcorp Canada Ltd., and claims (Block A) that are currently subject to an option agreement in favour of Trade Winds Ventures Inc. ("Trade Winds"). Certain of the claims are subject to net smelter royalties of up to 3%. If the option to acquire the Mine Option Property was to be exercised prior to the successful reclamation of the mine site, the Company could be subject to reclamation obligations. Management estimates net present value of the potential reclamation obligations to be between \$2.5 million and \$5.0 million. The Company may exercise the option to acquire the Mine Option Property by making a payment of \$400,000 within 120 days of the completion of all work required pursuant to the closure plan in respect of the property.

Under the agreements, the Company agreed to pay Pelangio \$5 million cash and 20 million common shares of the Company. Of the \$5 million cash payment required, \$1 million was in the form of a non-refundable deposit paid upon signing of the agreements in August 2006. The Company also agreed to:

1. complete a minimum \$10 million private placement by October 25, 2006 (completed);
2. complete a minimum \$15 million initial public offering ("IPO") no later than January 30, 2007 or such later date as agreed to in writing by Pelangio and the Company (completed on January 31, 2007);
3. fund ongoing expenditures, budgeted at approximately \$2.5 million in an approved work program, prior to the completion of the purchase. Of this amount, \$523,000 was spent to December 31, 2006. An additional \$1,010,000 was spent during January 2007.

The Company completed its acquisition of Detour Lake property on January 31, 2007 with a \$4 million cash payment and the issuance of 20 million common shares to Pelangio, and having fully funded the approved work program, pursuant to the purchase agreement. The value of the common shares issued as partial consideration of the acquisition was determined based upon the IPO price of the common shares of the Company on January 31, 2007 (\$3.50 per share).

The Company and Pelangio have agreed, for income tax purposes, to select a transfer price jointly under the Income Tax Act at an amount of not less than \$10.3 million.

In September 2003, Pelangio had granted to Trade Winds an option to acquire a 50% interest in a certain portion of the Detour Lake property known as "Block A". Under the terms of the agreement between Pelangio and Trade Winds (the "Trade Winds Agreement"), Trade Winds' right to acquire a 50% interest in Block A is subject to a staged payment of cash and shares to Pelangio and the completion of an exploration commitment of \$7.5 million. Pelangio assigned its rights under the Trade Winds Agreement to the Company in accordance with the terms and conditions of the Purchase Agreement. Trade Winds has advised the Company that it has completed the exploration commitment. The Company and Trade Winds are in the process of negotiating a formal joint venture agreement.

A summary of the investment in the Detour Lake property is as follows:

	Amount
Issuance of 20,000,000 common shares to Pelangio	\$ 70,000,000
Cash payments to Pelangio	5,000,000
Finders' fees	750,000
Related transaction costs	139,080
	\$ 75,889,080
Future income tax liability at acquisition	32,305,000
	\$ 108,194,080



NOTES TO FINANCIAL STATEMENTS

5. SHARE CAPITAL

(a) Subscription receipts

On October 23, 2006, the Company completed a private placement of 5,000,000 subscription receipts at a price of \$2.00 per subscription receipt for gross proceeds of \$10,000,000 (\$9,494,141 net of issue costs). Each subscription receipt entitled the holder thereof to acquire one common share of the Company. All of the subscription receipts were exchanged for common shares upon the completion of the IPO on January 31, 2007.

(b) Initial Public Offering

On January 31, 2007, the Company completed an initial public offering of 10,000,000 common shares on the Toronto Stock Exchange. The common shares were issued at a price of \$3.50 per common share, for gross proceeds of \$35,000,000. The Company paid the agents a cash commission, including expenses, of \$2,250,588 and issued 500,000 warrants (note 7). In addition, \$869,888 of transaction costs were incurred in relation to the initial public offering, with \$555,168 being paid during 2007 and the remainder having been paid in 2006. A future income tax asset of \$1,123,371 was recorded against the share issuance costs.

(c) Escrow

The common shares issued to Pelangio to acquire the Detour Lake property were held in escrow until July 31, 2007. The 5,000,000 seed capital common shares issued on incorporation (July 19, 2006), were held in escrow until October 23, 2007. As at December 31, 2007, no shares were held in escrow.

6. SHARE PURCHASE OPTION PLAN

The Company has adopted a rolling stock option plan, whereby 10% of the Company's issued and outstanding share capital may be granted to officers, directors, employees and consultants of the Company. In January 2007, the Company granted 1,385,000 options exercisable at \$3.50 per share until January 31, 2012. Vesting of these options is 30% on January 31, 2008, 30% on January 31, 2009, and 40% on January 31, 2010.

In June 2007, the Company granted 936,000 options exercisable at \$6.09 per share until January 31, 2012. Vesting of these options is 30% on January 31, 2008, 30% on January 31, 2009, and 40% on January 31, 2010. A total of 120,000 of these options were canceled during 2007.

In October 2007, a total of 100,000 options, exercisable at \$8.91 and expiring on January 31, 2012, were granted to an officer of the Company. Vesting of these options is 30% on February 15, 2008, 30% on January 31, 2009, and 40% on January 31, 2010.

In December 2007, a total of 884,000 options, exercisable at \$11.50 and expiring on December 24, 2012, were granted to officers, directors, employees and consultants of the Company. Vesting of these options is 30% on December 24, 2008, 30% on December 24, 2009, and 40% on December 24, 2010.

The continuity of share purchase options is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2006	-	\$ -
Granted	3,305,000	6.54
Cancelled	(120,000)	6.09
Balance, December 31, 2007	3,185,000	\$ 6.55

As at December 31, 2007, the Company had the following stock options outstanding:

Options Granted	Options Vested	Exercise Price	Expiry Date
1,385,000	-	\$ 3.50	January 31, 2012
816,000	-	\$ 6.09	January 31, 2012
100,000	-	\$ 8.91	January 31, 2012
884,000	-	\$ 11.50	December 24, 2012
3,185,000	-		

The exercise prices of all share purchase options granted were at or above the market price at the grant date. Using an option pricing model with the assumptions noted below. The weighted average grant date fair value of options granted during 2007 was \$3.42.



NOTES TO FINANCIAL STATEMENTS

The portion of the estimated fair value of options granted and vesting, which have been reflected in the statements of loss are as follows:

	Year ended December 31, 2007	For the period from inception (July 19, 2006) to December 31, 2006	Cumulative from inception (July 19, 2006) to December 31, 2007
Exploration	\$ 800,432	\$ -	\$ 800,432
Administration	1,858,732	-	1,858,732
Total expense recognized in net loss and credited to contributed surplus	\$ 2,659,164	\$ -	\$ 2,659,164

The fair value of each option grant in fiscal 2007 was estimated using the Black-Scholes option-pricing model with the following assumptions:

Risk free interest rate:	3.88% to 4.28%
Expected life:	3 to 5 years
Expected volatility:	53% to 62%
Expected dividends:	nil

7. WARRANTS

The Company granted 500,000 common share warrants to agents in relation to the IPO (note 5(b)), with each warrant exercisable into one common share in the Company at an exercise price of \$3.85 until January 31, 2008. The warrants have been recorded at an estimated fair value of \$395,000, using the following assumptions: risk-free interest rate – 4%; expected life – 1 year; expected volatility – 62%; expected dividends – nil. The continuity of these warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price	Fair Value
Balance, December 31, 2006	-	\$ -	\$ -
Issued	500,000	3.85	395,000
Exercised	(468,500)	3.85	(370,115)
Balance, December 31, 2007 (Note 15)	31,500	\$ 3.85	24,885

8. LOSS PER SHARE

	Year ended December 31, 2007	For the period from inception (July 19, 2006) to December 31, 2006
Net loss	\$ (11,942,050)	\$ (587,160)
Net loss per share	\$ (0.32)	\$ (0.12)
Weighted average shares outstanding – basic and diluted	37,230,108	5,000,000

The effect of potential issuances of shares under stock options and warrants would be anti-dilutive, and accordingly basic and diluted loss per share are the same.

9. INCOME TAXES

Major items causing the Company's income tax rate to differ from the Canadian combined federal and provincial statutory rate of 36% (2006 – 36%) is as follows:

	Year ended December 31, 2007	For the period from inception (July 19, 2006) to December 31, 2006
Loss before income taxes	\$ (21,691,229)	\$ (587,160)
Expected income tax (recovery) based on statutory rate	(7,809,000)	(211,000)
Adjustments to expected income tax benefit:		
Change in tax rate	(2,504,179)	-
Share issue costs	-	(182,000)
Stock-based compensation	957,000	-
Change in valuation allowance	(393,000)	393,000
Future income tax (recovery)	\$ (9,749,179)	\$ -



NOTES TO FINANCIAL STATEMENTS

	Year ended December 31, 2007	For the period from inception (July 19, 2006) to December 31, 2006
Future Tax Balances		
Future income tax assets (liabilities):		
Mineral property interests	\$ (22,484,450)	\$ 211,000
Share issue costs	812,000	146,000
Non-capital losses	240,000	36,000
Valuation allowance	-	(393,000)
Future income tax liability (net)	\$ (21,432,450)	\$ -

The Company's exploration-related tax pools at December 31, 2007 total approximately \$30.8 million (December 31, 2006 – \$1.5 million).

At December 31, 2007, the Company has available non-capital loss carry-forwards for Canadian tax purposes with expiry as follows:

Year	Amount
2027	\$ 725,000
2026	101,000
	\$ 826,000

10. RELATED PARTY TRANSACTIONS

Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

	Year ended December 31, 2007	For the period from inception (July 19, 2006) to December 31, 2006
Included in accounts payable and accrued liabilities are the following amounts due to related parties		
Hunter Dickinson Inc. (a)	\$ 165,505	\$ 24,225
Reimbursement for expenses and payments for services rendered by related parties		
Hunter Dickinson Inc. (a)		
Services rendered and expenses reimbursed	\$ 2,359,367	\$ 56,683
Promissory note – proceeds received	-	1,000,000
Promissory note – principal repaid	-	1,000,000
Interest paid	-	11,712
Pelangio Mines Inc. (b)		
Exploration costs incurred on behalf of the Company	1,533,840	-
Acquisition of Detour Lake property	74,000,000	1,000,000
Director (c)	13,848	-
Officer (c)	80,269	-

(a) Hunter Dickinson Inc. ("HDI")

HDI is a private company which has certain directors in common with the Company. HDI provides geological, technical, corporate development, administrative and management services to, and incurs third party costs on behalf of, the Company on a full cost recovery basis pursuant to an agreement dated July 19, 2006. Balances receivable from, or payable to HDI, have arisen in the normal course of exploration work on the Company's mineral property and from the provision of ongoing administrative and technical services.

(b) Pelangio Mines Inc. ("Pelangio")

On January 31, 2007, the Company acquired the Detour Lake property from Pelangio through the issuance of common shares of the Company and cash, as described in note 4. Pelangio is a Canadian public company which, as a result of this share issuance, became a significant shareholder of the Company effective January 31, 2007.

In addition to the acquisition of the property, the Company reimbursed Pelangio \$1,533,840 for exploration work conducted on a cost-recovery-only basis on the Company's behalf at the Detour Lake property.



NOTES TO FINANCIAL STATEMENTS

(c) Director and officer

During the year ended December 31, 2007, the Company paid \$13,848 (2006 – \$nil) to a director for technical consulting services. The Company also paid \$80,269 (2006 – \$nil) to a company owned by an officer of the Company for management and consulting services and for reimbursement of expenses incurred on behalf of the Company.

11. SEGMENTED INFORMATION

The Company currently operates in one reportable operating segment, being the acquisition, exploration and development of mineral property interests in Canada. All assets, including cash balances are currently located in Canada.

12. COMMITMENTS

The following table lists the Company's material contractual obligations over the next three years.

	2008	2009	2010	Total
Operating leases	\$ 148,900	\$ 148,900	\$ 37,400	\$ 335,200

13. FINANCIAL INSTRUMENTS

Fair value of financial instruments

The Company's financial instruments include cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities. The carrying value of these financial instruments approximates their fair value due to the short term nature of these items.

Commodity price risk

The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of gold.

14. SUPPLEMENTAL INFORMATION

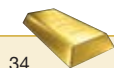
	Year ended December 31, 2007	For the period from inception (July 19, 2006) to December 31, 2006	Cumulative from inception (July 19, 2006) to December 31, 2007
Common shares issued pursuant to acquisition of Detour Lake property	\$ 70,000,000	\$ -	\$ 70,000,000
Warrants issued as share issuance costs	\$ 395,000	\$ -	\$ 395,000
Value of warrants exercised	\$ 370,115	\$ -	\$ 370,115
Future income tax liability arising from acquisition of Detour Lake property (note 4)	\$ 32,305,000	\$ -	\$ 32,305,000
Future income taxes arising from share issuance costs	\$ 1,123,371	\$ -	\$ 1,123,371
Change in deferred transaction costs	\$ (453,800)	\$ 453,800	\$ -

15. SUBSEQUENT EVENTS

On February 21, 2008, the Company entered into an Underwriting Agreement related to the sale of 4,000,000 Special Warrants of the Company at a price of \$16.30 per Special Warrant for aggregate gross proceeds of \$65,200,000. A 5% cash commission plus expenses were payable to the agents as part of the Underwriting Agreement. Each Special Warrant shall be automatically exercised for no additional consideration to acquire one Common Share of the Company, subject to certain conditions being met, including the issuance of a receipt for the final prospectus qualifying the distribution of the common shares.

On January 30, 2008, the remaining 31,500 broker warrants as disclosed in note 7 were exercised and proceeds of \$121,275 were received.

Subsequent to December 31, 2007, 183,000 stock options priced at \$3.50 and 126,400 priced at \$6.09, were exercised for total proceeds of \$1,410,276.



CORPORATE INFORMATION

DIRECTORS

Gerald S. Panneton

(Ontario, Canada)

Robert A. Dickinson

(British Columbia, Canada)

Louis Dionne^{1, 2, 3}

(Ontario, Canada)

Ingrid J. Hibbard

(Ontario, Canada)

Michael Kenyon

(British Columbia, Canada)

Philip E. Olson¹

(Saskatchewan, Canada)

Ronald W. Thiessen^{2, 3}

(British Columbia, Canada)

Judy M. Thomson^{1, 2, 3}

(British Columbia, Canada)

Committees of the Board of Directors

1 Audit Committee

2 Compensation Committee

3 Nominating and Corporate
Governance Committee

OFFICERS AND SENIOR MANAGEMENT

Gerald S. Panneton

President, Chief Executive Officer
and Director

Erik H. Martin

Chief Financial Officer
and Corporate Secretary

Pat Donovan

Vice President Corporate Development

Laurie Gaborit

Director Investor Relations

Roger Aubertin

Project Manager

Patrick Rummel

Environmental Manager

CORPORATE OFFICE

Detour Gold Corporation

Royal Bank Plaza, North Tower
200 Bay Street, Suite 2040, Box #23
Toronto, Ontario M5J 2J1

Phone 416.304.0800

Fax 416.304.0184

Email info@detourgold.com

Website www.detourgold.com

EXCHANGE LISTING

Toronto Stock Exchange

Symbol: **DGC**

TRANSFER AGENT AND REGISTRAR

Computershare Investor Services Inc.
Toronto, Ontario, Canada

AUDITORS

McGovern, Hurley, Cunningham, LLP
Toronto, Ontario, Canada

LEGAL COUNSEL

Lang Michener LLP
Toronto, Ontario, Canada

www.detourgold.com

Forward-Looking Information: This annual report contains "forward-looking information" as defined in applicable securities laws (referred to herein as "forward-looking statements"). Forward-looking statements include, but are not limited to, statements with respect to the cost and timing of the development of the Detour Lake project, including the exercise of the Mine Option; the success and continuation of exploration activities; estimates of mineral resources; acquisitions of additional mineral properties; the future price of gold; government regulations and permitting time lines; estimates of reclamation obligations that may be assumed in connection with the exercise of the Mine Option; requirements for additional capital; environmental risks; and general business and economic conditions. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. These risks, uncertainties and other factors include, but are not limited to, future gold prices, changes in equity markets, actual results of current exploration, changes in project parameters, exchange rate fluctuations and other risks involved in the gold exploration and development industry, as well as those risk factors discussed in the section entitled "Description of Business - Risk Factors" in Detour Gold's 2007 annual information form. Forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, the availability of financing for the Company's exploration and development activities; the time lines for the Company's exploration and development activities on the Detour Lake Property; the availability of certain consumables and services; assumptions made in mineral resource estimates, including geological interpretation grade, recovery rates, and operational costs; and general business and economic conditions. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law.

Cautionary Note to U.S. Readers: The resource estimates discussed in this report use the terms "measured resources", "indicated resources" and "inferred resources". The Company advises readers that although these terms are recognized and required by Canadian regulations (under National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101")), the United States Securities and Exchange Commission does not recognize them. Readers are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into reserves. In addition, "inferred resources" 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 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, or economic studies, except for a Preliminary Assessment as defined under NI 43-101. Investors are cautioned not to assume that part or all of an inferred resource exists, or is economically or legally mineable.



DETOUR GOLD

Royal Bank Plaza - North Tower
200 Bay Street, Suite 2040, Box #23
Toronto, ON M5J 2J1, Canada

Telephone 416.304.0800

Facsimile 416.304.0184

www.detourgold.com

