MANAGEMENT'S DISCUSSION AND ANALYSIS

(All amounts are expressed in United States dollars, unless otherwise stated)

This management's discussion and analysis ("MD&A") of the operating results and financial position of Alamos Gold Inc. and its subsidiaries ("the Company") is for the three and nine-month periods ended September 30, 2008 compared with the three and nine-month periods ended September 30, 2007. Together with the interim consolidated financial statements and related notes, the MD&A provides a detailed account and analysis of the Company's financial and operating performance for the year. The Company's functional and reporting currency is the United States dollar. This MD&A is current to November 4, 2008 and should be read in conjunction with the Company's Annual Information Form and other corporate filings available at www.sedar.com ("SEDAR"). Management is responsible for the interim consolidated financial statements referred to in this MD&A, and provides officers disclosure certifications filed with securities commissions on SEDAR. The audit committee reviews the interim consolidated financial statements and MD&A, and recommends approval to the Company's Board of Directors.

The MD&A should be read in conjunction with the interim consolidated financial statements of the Company and related notes, which have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). Refer to Note 2 of the December 31, 2007 and 2006 audited consolidated financial statements for disclosure of the Company's significant accounting policies. Refer to Note 3 of the September 30, 2008 interim consolidated financial statements for a discussion of changes in accounting policies and presentation.

Note to U.S. Investors

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

Overview

Alamos Gold Inc. is a publicly traded company on the Toronto Stock Exchange (TSX: AGI). The Company owns 100% of the 28,500-hectare Salamandra group of concessions located in the state of Sonora in northwest Mexico. The Salamandra group of concessions includes the Mulatos mine (the "Mine") and several other prospective exploration targets throughout the district. The Mine produces gold in dore bars for shipment to a refinery. Gold may be sold in refined form or as dore. The Company achieved commercial production at the Mine on April 1, 2006.

Proven and probable reserves in the Estrella Pit as at December 31, 2007 were 24.3 million tonnes grading 1.68 grams per tonne of gold ("g/t Au") or approximately 1.3 million contained ounces of gold.

The Salamandra group of concessions contains both advanced and grassroots exploration prospects. There are several advanced exploration projects near the Estrella Pit that have the potential to continue to add resources and reserve ounces to the global Mulatos deposit, including both mineralization extensions and satellite deposits.

Third Quarter 2008 Highlights

During the three-month period ended September 30, 2008, the Company reported its fourth consecutive quarter of record quarterly gold production, revenues, cash flows from operations and earnings. Specifically, the Company:

- Recognized record quarterly earnings of $8.3 million ($0.09 per share), a substantial increase over earnings of $0.1 million ($0.00 per share) in the third quarter of 2007.
- Reported a 139% increase in revenues from $15.6 million in the third quarter of 2007 to a record $37.2 million in the third quarter of 2008.
- Generated record cash flows from operating activities of $19.3 million or $0.20 per share compared to $4.0 million or $0.04 per share in the third quarter of 2007.
- Sold a record 41,293 ounces of gold, representing an increase of 78% over gold sales in the third quarter of 2007 of 23,170 ounces.
- Produced a record 39,900 ounces at a cash operating cost of $363 per ounce of gold sold (total cash cost inclusive of royalties of $405 per ounce of gold sold).
- Increased cash balances by $16.1 million in the quarter to $34.5 million at September 30, 2008.
- Reports an initial resource estimate at Puerto del Aire of 311,000 ounces of measured and indicated resources, and 197,000 ounces of inferred resources.
- Announced the delineation of a new gold zone at the Cerro Pelon regional exploration target, located 2.5 kilometers southwest of the Company's existing Mulatos mine leach pad facilities.

Year-to-Date 2008 Highlights

In the nine-month period ended September 30, 2008, the Company:

- Recognized earnings of $20.2 million ($0.21 per share) compared to $3.2 million or $0.03 per share in the same period of 2007.
- Reported strong revenue growth, increasing revenues 89% to $100.6 million.

(All amounts are expressed in United States dollars, unless otherwise stated)

- Generated cash flow from operations of $49.3 million ($0.51 per share) compared to $11.6 million ($0.12 per share) in the comparable period of 2007.
- Produced 111,653 ounces of gold, an increase of 49% over the 74,810 ounces produced in the nine months ended September 30, 2007.

Results of Operations

With continued record results in the third quarter of 2008, the Company has now had four consecutive quarters of increasing gold production and sales and improved financial performance. During the first half of 2008, the Company converted from truck-loading to conveying and stacking crushed ore on the leach pad, initiated a new lime-application process and implemented the first phase of the Company's plans to apply inter-lift liners. The key results of these operational advances have been improved leach pad dynamics and significantly higher gold recoveries. Higher gold recoveries have resulted in increased gold production, with the Company reporting record quarterly production during the historically challenging third quarter rainy season in northern Mexico. Increased gold production combined with appreciably higher gold prices have resulted in the Company's record financial performance in the third quarter of 2008.

Gold production in the third quarter of 2008 was 39,900 ounces, an increase of 84% over gold production of 21,670 ounces in the third quarter of 2007. Gold sales in the third quarter of 2008 increased 78% over the comparable period of 2007 to 41,293 ounces. The table below outlines key quarterly production indicators during the third quarters of 2008 and 2007 and year-to-date:

Production summary	Q3 2008	Q3 2007	YTD 2008	YTD 2007
Ounces produced [(1)]	39,900	21,670	111,653	74,810
Ore mined (tonnes)	1,168,000	814,000	3,599,000	2,722,000
Waste mined (tonnes)	1,399,000	2,784,000	4,654,000	7,335,000
Total mined (tonnes)	2,567,000	3,598,000	8,253,000	10,057,000
Ore crushed (tonnes)	1,133,000	838,000	3,550,000	2,797,000
Ore mined per day (tonnes)	12,700	9,000	13,400	10,000
Ore crushed per day (tonnes)	12,300	9,200	13,300	10,300
Waste-to-ore ratio	1.20	3.42	1.29	2.69
Grade (g/t Au)	1.98	2.08	2.06	1.86

(1) Reported gold production for Q3 and YTD 2007 has been adjusted to reflect final refinery settlement. Reported gold production for Q3 and YTD 2008 is subject to final refinery settlement and may be adjusted.

The Company has achieved significant increases in ore mined and crushed during the third quarter and year-to-date in 2008 compared to the same periods of 2007. In 2007, the Company reorganized the open pit and mined additional waste. As a result, mining operations were more efficient in the first three quarters of 2008, contributing to a 32% increase in ore mined and a 37% decrease in waste mined. Also in 2007, the Company commissioned a new crusher which has improved the Company's ability to meet its targeted crusher throughput rates. Average daily crusher throughput of 13,300 in the first nine months of 2008 represented a 29% improvement over the comparable period of 2007.

The grade of ore crushed and stacked year-to-date in 2008 was 11% higher than in the prior year period. Year-to-date in 2008, the grade of mined blocks has averaged 2.06 grams of gold per tonne of ore ("g/t Au"). Since the start of mining operations at the Mulatos mine in 2005, the reconciliation of mined blocks to the block model has reflected a positive ounce variance of 1.7%.

Operational changes made in 2007 and to-date in 2008 have demonstrated measurable improvements in both operating and production statistics, which in turn have contributed to cost efficiences and lower costs per tonne. The following table compares costs per tonne in the third quarter and year-to-date in 2008 to the same periods of 2007:

Costs per tonne summary	**Q3 2008**	**Q3 2007**	**YTD 2008**	**YTD 2007**
Mining cost per tonne of material (ore and waste)	$1.88	$1.25	$1.67	$1.35
Waste-to-ore ratio	1.20	3.42	1.29	2.69
Mining cost per tonne of ore	$4.13	$5.54	$3.84	$5.00
Crushing/conveying cost per tonne of ore	$1.95	$3.03	$2.10	$2.66
Processing cost per tonne of ore	$2.24	$3.04	$2.28	$2.48
Mine administration cost per tonne of ore	$1.84	$1.92	$1.67	$1.50
Total cost per tonne of ore	$10.16	$13.53	$9.89	$11.65

Total cost per tonne of ore in the third quarter of 2008 was $10.16 or 25% lower than the $13.53 incurred in the same period of 2007. The lower total cost per tonne of ore in the third quarter of 2008 is primarily attributable to significant increases in tonnes of ore mined and crushed. Mining cost per tonne of ore benefited from a 65% lower waste-to-ore ratio in the third quarter of 2008. Production in the third quarter of 2007 was adversely impacted by unusually heavy seasonal rains. Improved mine sequencing and ore blending contributed to consistent and predictable mining operations in the third quarter of 2008.

Mining cost per tonne of material was $1.88 in the current period, 50% higher than $1.25 in the third quarter of 2007, partially resulting from a 50% decrease in the tonnes of waste mined. Mining costs in the third quarter were also adversely affected by higher drilling and blasting costs and increased scheduled maintenance.

Crushing and conveying cost per tonne of ore in the third quarter of 2008 was $1.95. This represented a 36% decrease compared to the prior year period and is primarily attributable to a 35% increase in the number of crushed tonnes and cost savings realized from the new conveying and stacking system. Additional costs associated with the new stage of crushing and an enhanced preventative maintenance schedule have been more than offset on a per tonne basis by operational efficiencies resulting in higher crusher throughput. Crusher throughput averaged 13,300 tonnes per day in the first three quarters of 2008 compared to 10,300 in the same period of 2007. The new conveying and stacking system has also contributed to lower crushing and conveying cost per tonne of ore as costs associated with truck-hauling and loading ore on the leach pad have been eliminated.

Processing cost per tonne of ore in the third quarter of 2008 was $2.24 compared to $3.04 in the comparable period of 2007. Processing costs include expenditures incurred with respect to the leach pad, gold recovery plant and refining activities. The conveying and stacking system commissioned in the second quarter of 2008 has resulted in lower lime consumption and corresponding lower costs as a result of the more efficient mechanized lime application. Cost savings related to lower lime consumption have been offset by the addition of cement costs to the Company's processing cost structure. The Company began belt agglomeration with cement in July 2008, which is expected to contribute to higher gold recoveries.

Mine administration cost per tonne of ore in the three months ended September 30, 2008 was $1.84 compared with $1.92 in the same period of 2007.

Cash operating costs of $363 per ounce of gold sold in the third quarter of 2008 was 11% lower than the $408 reported in the third quarter of 2007. The Company's cash operating costs have been steadily decreasing since the fourth quarter of 2007, from $469 in that period to the range of between $360 and $366 reported in the first three quarters of 2008. The Company expects further cost reductions in the fourth quarter of 2008 to result from higher recoveries attributable to improved leach pad percolation associated with the conveying and stacking system and agglomeration process. The Company also expects to incur lower Mexican peso-denominated operating costs as a result of recent weakness in the value of the Mexican peso.

The Company's reported cash operating costs per ounce are significantly affected by gold recoveries. Bottle roll recoveries on blast hole ore in the third quarter of 2008 averaged 70%. These recovery results are supported by column testing. Column testing of the August 2008 composite crushed ore samples show preliminary recovery of 71% after 28 days. Recoveries indicated by metallurgical testing in the laboratory have not historically been achieved from the leach pad due to various factors, including crush size and leach pad percolation. The Company has improved crush size by introducing a new crusher into the production process, and has addressed percolation issues through the commissioning of the conveying and stacking system and cement agglomeration. As a result, the ratio of the number of ounces of gold produced divided by the number of ounces of gold stacked on the leach pad (referred to as the "recovery ratio") was 55% in the third quarter, compared to 39% in the same period of 2007. The recovery ratio can be an indicator of gold recovery levels, but is not necessarily a reliable measure of final recovery over the average 17-week leaching cycle. With its continued operational improvements, the Company expects that the actual recovery will approach the levels of recovery indicated in column tests.

Initiatives taken in the past few quarters will continue to benefit future operations at the Mine. The Company commissioned the conveying and stacking system in the second quarter of 2008. This has reduced compaction associated with truck-loading ore on the leach pad. The conveying and stacking system together with the automated lime application process and inter-lift liners, have resulted in improved pH control and reduced processing costs. In addition, the Company began belt agglomeration with cement in the third quarter. Drum agglomeration is planned to start in early 2009.

The Company expects that total gold production in the fourth quarter of 2008 will be between 35,000 and 40,000 ounces, at a total cash cost (including royalties) of approximately $395 per ounce.

Cautionary Non-GAAP Statements

The Company believes that investors use certain indicators to assess gold mining companies. They are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared with GAAP. “Cash flow from operating activities before changes in non-cash working capital” is a non-GAAP performance measure which could provide an indication of the Company’s ability to generate cash flows from operations, and is calculated by adding back the change in non-cash working capital to “Cash provided by (used for) operating activities” as presented on the Company’s consolidated statements of cash flows. “Mining cost per tonne of ore” is a non-GAAP performance measure which could provide an indication of the mining and processing efficiency and effectiveness at the Mine. It is determined by dividing the relevant mining and processing costs by the tonnes of ore processed in the period. “Cost per tonne of ore” is usually affected by operating efficiencies and waste-to-ore ratios in the period. “Cash operating costs per ounce” and “total cash costs per ounce” as used in this analysis are non-GAAP terms typically used by gold mining companies to assess the level of gross margin available to the Company by subtracting these costs from the unit price realized during the period. These non-GAAP terms are also used to assess the ability of a mining company to generate cash flow from operations. There may be some variation in the method of computation of “cash operating costs per ounce” as determined by the Company compared with other mining companies. In this context, “cash operating costs per ounce” reflects the cash operating costs allocated from in-process and dore inventory associated with ounces of gold sold in the period. “Cash operating costs per ounce” may vary from one period to another due to operating efficiencies, waste-to-ore ratios, grade of ore processed and gold recovery rates in the period. “Total cash costs per ounce” includes “cash operating costs per ounce” plus applicable royalties.

Financial Highlights

A summary of the Company's financial results for the three and nine-month periods ended September 30, 2008 and 2007 is presented below:

	Q3 2008	Q3 2007	YTD 2008	YTD 2007
Cash provided by operating activities before changes in non-cash working capital (000) [1]	$13,854	$3,404	$37,882	$15,655
Changes in non-cash working capital (000)	$5,457	$601	$11,427	($4,011)
Cash provided by operating activities (000)	$19,311	$4,005	$49,309	$11,644
Earnings before income taxes (000)	$11,546	$409	$30,341	$5,457
Earnings (000)	$8,346	$117	$20,241	$3,194
Earnings per share - basic and diluted	$0.09	$0.00	$0.21	$0.03
Weighted average number of common shares outstanding				
- basic	95,714,000	94,215,000	95,226,000	93,943,000
- diluted	97,183,000	96,344,000	96,862,000	96,432,000

[1] A non-GAAP measure calculated as cash provided by operating activities as presented on the consolidated statements of cash flows and adding back changes in non-cash working capital.

The Company reported strong financial results in the third quarter of 2008. Record gold production and gold sales contributed to the Company generating $13.9 million in cash from operating activities before changes in non-cash working capital, and $19.3 million ($0.20 per share) after changes in non-cash working capital. The $19.3 million cash provided by operating activities represents a 383% increase over the $4.0 million ($0.04 per share) generated in the third quarter of 2007. The change in non-cash working capital in the third quarter of 2008 of $5.5 million is the result of increased taxes payable and a reduction in the Company's gold in-process inventory. Decreases in gold in-process inventory since the start of the year reflect the drawdown of high-grade ounces stacked in the first quarter of 2008, as well as improved recoveries resulting from the conveying and stacking system and belt agglomeration processes.

The Company recognized earnings before income taxes of $11.5 million in the third quarter of 2008 compared to $0.4 million in the same period of 2007.

The Company recorded earnings of $8.3 million or $0.09 per share in the third quarter of 2008 compared to $0.1 million or $0.00 per share in the corresponding period of 2007.

Gold Sales

Details of gold sales are presented below:

	Q3 2008	Q3 2007	YTD 2008	YTD 2007
Gold sales (ounces)	41,293	23,170	111,384	81,250
Gold sales revenues (000)	$37,207	$15,590	$100,573	$53,345
Realized gold price per ounce	$901	$673	$903	$657
Average gold price for period (London PM Fix)	$872	$680	$897	$666

Gold sales revenues of over $37.2 million in the third quarter of 2008 represented a 139% increase over the same period of 2007 as a result of a 34% increase in the realized gold price per ounce and a 78% increase in the number of ounces sold.

The Company realized an average gold price of $901 per ounce in the third quarter of 2008, compared to an average London PM Fix spot gold price of $872 during the period. The Company generally enters into forward gold sales contracts twice monthly in order to match sales contracts with the next expected delivery. The Company's objective is to realize a gold sales price consistent with the average London PM Fix spot gold price. Periodically however, the Company may enter into forward gold sales contracts for future deliveries within a six-month future period in order to fix a gold price that management believes is attractive. At the current time, apart from short-term forward gold sales activity, the Company is fully leveraged to changes in the price of gold.

Assessment of Gold Market

The Company's realized gold price in the third quarter was in excess of $900 per ounce. At these levels, the Company realizes an operating cash margin (before taxes and corporate and administrative costs) of between $450 and $500 per ounce. Since the start of the fourth quarter, the gold price has retracted to its current level of approximately $750 per ounce. As a result, the Company's realized operating cash margins in the fourth quarter are expected to decrease.

Operating Expenses and Operating Margins

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

	Q3 2008	Q3 2007	YTD 2008	YTD 2007
Gold production (ounces) (1)	39,900	21,670	111,653	74,810
Gold sales (ounces)	41,293	23,170	111,384	81,250
Cash operating costs (000)(2)	**$14,976**	**$9,442**	**$40,475**	**$29,521**
- Per ounce sold	**$363**	**$408**	**$363**	**$363**

Royalties and production taxes (000)[3]	$1,762	$747	$4,995	$2,696
Total cash costs (000)[4]	**$16,738**	**$10,189**	**$45,470**	**$32,217**
- Per ounce sold	**$405**	**$440**	**$408**	**$397**
Amortization (000)	$5,438	$2,356	$14,860	$7,784
Accretion expense (000)	$78	$46	$238	$136
Total production costs (000)[5]	**$22,254**	**$12,591**	**$60,568**	**$40,137**
- Per ounce sold	**$538**	**$543**	**$543**	**$494**
- Realized gold price per ounce	$901	$673	$903	$657
- Operating cash margin per ounce [6]	$496	$233	$495	$260

(1) Reported gold production is subject to final refinery settlement.

(2) "Cash operating costs" is a non-GAAP measure which includes all direct mining costs, refining and transportation costs and by-product credits. "Cash operating costs" is equivalent to mining and processing costs as reported in the Company's financial statements.

(3) Production royalties are included as of April 1, 2006 at 5% of net precious metals revenues (as determined in accordance with the royalty agreement).

(4) "Total cash costs" is a non-GAAP measure which includes all "cash operating costs" and royalties and production taxes. "Total cash costs" is equivalent to mining and processing costs and royalties as reported in the Company's financial statements.

(5) "Total production costs" is a non-GAAP measure which includes all "total cash costs", amortization, and accretion of asset retirement obligations. "Total production costs" is equivalent to mining and processing costs, royalties, amortization and accretion of asset retirement obligations as reported in the Company's financial statements.

(6) "Operating cash margin per ounce" is a non-GAAP measure which is calculated as the difference between the Company's gold sales and mining and processing and royalty expenses as reported in the Company's financial statements.

Production from the Mine is subject to a sliding scale production royalty. At current gold prices above $400, the royalty is set at a rate of 5% of the value of gold and silver, less certain allowed refining and transportation costs. The royalty is calculated based on the daily average London PM Fix gold market prices, not actual prices realized by the Company. With the achievement of commercial production on April 1, 2006, the Mine's production to a maximum of two million ounces of gold is subject to royalty. As at September 30, 2008, the royalty was paid or accrued on approximately 289,500 ounces of applicable gold production. Royalty expense for the third quarter of 2008 was $1,762,000 compared to $747,000 in the same period of 2007 due to higher production applicable to royalty and a 28% increase in the average market price of gold.

Exploration

Exploration costs charged to operations during the third quarter of 2008 were $1,383,000 or 158% higher than the $536,000 incurred in the third quarter of 2007. Exploration costs in the third quarter of 2008 were focused on drilling at Cerro Pelon ($497,000), condemnation drilling at El Halcon ($354,000), concession payments ($130,000) and administration costs and other projects ($402,000).

The Company's accounting policy for exploration costs requires that exploration spending that does not meet the criteria for mine development is expensed as incurred. On a year-to-date basis in 2008, $661,000 of costs related to drilling the Puerto del Aire zone immediately adjacent to the existing Estrella Pit were capitalized to mine development. All other exploration costs have been expensed.

Corporate and Administrative

Corporate and administrative expenses of $1,198,000 in the third quarter of 2008 compared to $718,000 incurred in the third quarter of 2007. On a year-to-date basis, corporate and administrative costs of $3,171,000 are 33% higher in 2008 than in 2007. Higher corporate and administrative expenses in the three and nine-month periods ended September 30, 2008 compared to the same periods of 2007 are the result of increased costs associated with the Company's administration office in Hermosillo and increased audit and internal control compliance costs.

Corporate and administrative costs in 2008 are expected to be between $4.0 and $4.5 million in 2008, exclusive of unusual items.

Stock-based Compensation

Stock-based compensation expense in the third quarter of 2008 was $966,000 compared to $720,000 in the comparable period of 2007. Year-to-date stock-based compensation expense in 2008 was $3,386,000 compared to $2,355,000 in the same period of 2007. The value of stock-based compensation expense is added to the contributed surplus account within shareholders' equity, resulting in no net effect on total shareholders' equity.

In order to promote employee retention, the Company implemented vesting provisions for all stock option grants effective December 2005. Under the vesting provisions, 20% of all stock options granted vest on the date of grant and 20% at each subsequent six-month period. The vesting provisions result in the market value of stock option grants being charged to expense in accordance with the vesting terms of the option.

The higher stock-based compensation expense in the third quarter of 2008 is the result of the higher amortization of the fair value of prior period option grants. Based on existing stock option grants only, stock-based compensation expense for the fourth quarter of 2008 is expected to be approximately $1,000,000. Any additional grants in the fourth quarter of 2008 will increase this expense.

The Company granted a total of 50,000 stock options at an exercise price of CDN$6.10 during the third quarter of 2008. No options were granted during the comparable period of 2007.

Accretion Expense

Accretion expense includes accretion of the Company's asset retirement and property acquisition obligation liabilities.

The asset retirement obligation liability on the Company's balance sheet of $3,540,000 at September 30, 2008 reflects the discounted value of the amount the Company expects to incur on closure of the Mine for reclamation and reforestation activities. The Company's estimate of the expected future costs associated with mine closure and reclamation was prepared internally by management. Accretion expense represents the increase in the liability due to the passage of time. Accretion of asset retirement obligation expense in the third quarter of 2008 was $56,000 compared to $46,000 in the third quarter of 2007. Accretion expense in 2008 is expected to be approximately $225,000. The Company is awaiting an independent third-party report assessing the Company's mine closure plan. This report will be the first update since the feasibility study, and the Company intends to update its expected future cash outflows associated with mine closure to correspond to the work requirements presented in the revised closure plan.

Employee Future Benefits

The Company is required to recognize employee future benefit liabilities associated with its Mexican work force. On an annual basis, the Company hires an independent consultant to review and calculate the liability for seniority premiums and termination benefits in accordance with Mexican Labor Law. As at September 30, 2008, the Company had accrued an employee future benefit liability of $634,000. Employee future benefits expense of $19,000 in the third quarter of 2008 (year-to-date $45,000) is a non-cash charge reflecting the increase in the present value of the employee future benefit liability.

Interest Income

Interest income in the three-month period ended September 30, 2008 was $120,000 compared to $41,000 in the same period of 2007 due to higher average cash balances in the third quarter of 2008 compared to in 2007. The Company expects interest income to continue to increase on a quarterly basis, as strong cash flows from operations have resulted in higher cash balances.

Interest Expense

Interest expense for the three-month period ended September 30, 2008 was $nil compared to $393,000 in the same period of 2007. In the second quarter of 2008, the Company induced redemption of all outstanding convertible debentures and repaid its capital lease obligation liability. Accordingly, the Company no longer has any outstanding interest-bearing debt.

Foreign Exchange Loss

The Company recognized a foreign exchange gain of $400,000 in the third quarter of 2008. During the third quarter, the value of the Mexican peso weakened against the United States dollar. The majority of the Company's future tax liability is denominated in Mexican pesos. On revaluation of this future tax liability, the Company recognized a $715,000 unrealized foreign exchange gain. Significant volatility in the value of the Mexican peso compared to the United States dollar could continue to result in foreign exchange gains or losses. Offsetting the foreign exchange gain on revaluation of the future tax liability were foreign exchange losses realized on the Company's cash holdings of Mexican pesos and Mexican peso-denominated assets such as value-added tax receivables.

In the third quarter of 2007, the Company recognized a foreign exchange loss of $190,000 due to the effect of a weakening Mexican peso against the United States dollar on the Company's net Mexican peso-denominated monetary asset position in Mexico.

The Company's exposure to foreign exchange gains or losses on its Canadian dollar-denominated financial assets and liabilities in the first four months of 2008 was minimal given that the Company's Canadian dollar denominated assets (cash holdings and available-for-sale securities) offset the Company's Canadian dollar denominated liabilities (convertible debentures). All of the outstanding convertible debentures were converted or redeemed at the end of April 2008. Accordingly, the Company is currently exposed to foreign exchange gains or losses in future periods on its Canadian dollar denominated cash and investment holdings.

Income Taxes

Current tax expense in the third quarter of 2008 of $3,510,000 compared to $142,000 in the same period of 2007. In 2008, the new Single Rate Tax Law came into effect in Mexico. The application of the new law has not impacted the Company's tax expense to-date in 2008, but may in future periods. The Company is now cash taxable in Mexico and must calculate and provide for tax installments on a monthly basis. The Company recorded a future income tax recovery of $310,000 in the third quarter of 2008 compared to future tax expense of $150,000 in the third quarter of 2007.

The effective tax rate in the third quarter of 2008 was 28% compared to 37% in the third quarter of 2007. Since the Company uses the liability method of computing its income taxes, there are factors which may result in changes to the valuation of tax assets and liabilities. These factors include changes in foreign exchange rates and changes in future income tax rates that will affect the effective tax rate as they are not dependent on computed earnings before income tax or the statutory rate for the current year. In addition, the Company is subject to inflation gains on its net monetary liabilities in Mexico, which are not reported in earnings as calculated for accounting purposes, whether those liabilities are denominated in Mexican pesos or United States dollars. If these adjustments are not significant in relation to Mexican earnings before income tax, the resulting effective tax rate may not be materially different from the statutory rate.

Summary of Quarterly Results

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

	Q4 2006 (Re-stated)	**Q1 2007**	**Q2 2007**	**Q3 2007**	**Q4 2007**	**Q1 2008**	**Q2 2008**	**Q3 2008**
Gold production (ounces)	31,720	24,940	28,200	21,670	31,390	33,253	38,500	39,900
Gold sales (ounces)	25,270	27,200	30,880	23,170	27,029	34,609	35,482	41,293
Gold sales ($000)	15,299	16,958	20,797	15,590	20,683	31,030	32,337	37,207
Earnings from operations ($000)	1,175	2,558	2,941	1,062	830	9,423	10,175	11,387
Earnings (loss) ($000)	(1,469)	1,189	1,888	117	(260)	5,703	6,191	8,346
Earnings (loss) ($ per share) – basic/diluted	(0.01)	0.01	0.02	0.00	(0.00)	0.06	0.07/ 0.06	0.09

The Company began commercial production at the Mulatos mine in the second quarter of 2006. The loss in the fourth quarter of 2006 was restated to reflect a $2.1 million increase to future income tax expense. Gold production, gold sales and earnings have trended higher over the past eight quarters as the Company has resolved start-up issues, optimized mining operations and benefited from rising gold prices. Higher realized gold prices and gold sales have resulted in improved financial results in each consecutive quarter of 2008. Generally, third quarter operating and financial results could represent seasonal lows if the anticipated rainy season in northern Mexico is significantly worse than average, as was the case in the third quarter of 2007.

Financial and Other Instruments

The Company's financial assets and liabilities consist of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities and current and future income tax liabilities, some of which are denominated in Canadian dollars or Mexican pesos. The Company is exposed to financial gains or losses as a result of foreign exchange movements against the United States dollar.

The Company's cash and cash equivalents may be invested in short-term liquid deposits or investments which provide a revised rate of interest upon maturity. At September 30, 2008, the majority of the Company's reported cash and cash equivalents were held in bank deposit accounts or 30-day term deposits.

In addition to United States dollar costs, the Company also incurs operating costs denominated in both the Canadian dollar and the Mexican peso. Accordingly, the Company's operating costs are affected by changes in foreign exchange rates in those currencies.

The Company has elected not to hedge its exposure to fluctuations in the Canadian dollar by buying fixed rate forward contracts in Canadian dollars. Corporate and administrative costs associated with the Company's head office in Toronto are denominated in Canadian dollars. A 10% increase in the value of the Canadian dollar against the United States dollar could increase the Company's reported corporate and administrative costs by approximately $0.4 million annually.

The Company has exposure to monetary assets and liabilities denominated in Mexican pesos. Significant cash balances, outstanding amounts receivable, accounts payable or tax liabilities denominated in Mexican pesos could expose the Company to a foreign exchange gain or loss. Recently, the value of the Mexican peso compared to the United States dollar has weakened significantly. The Company has partially hedged its balance sheet exposure to changes in the Mexican peso/United States dollar exchange rate by maintaining additional cash balances in Mexican pesos to offset its future tax liabilities denominated in pesos. As the Mexican peso weakens against the United States dollar, the Company's operating costs (as reported in equivalent United States dollars) decrease. A 10% decline in the value of the Mexican peso compared to the United States dollar could reduce the Company's reported mining and processing costs and increase reported earnings before income taxes by approximately $2.5 million annually.

The Company generally contracts for future gold sales to closely match expected delivery dates within the current financial quarter. Periodically however, the Company may enter into forward gold sales contracts for future deliveries within a six-month future period in order to fix a gold price that management believes is attractive.

Investment in Mineral Property, Plant and Equipment

A breakdown of the cash invested in mineral property, plant and equipment for the three and nine-month periods ended September 30, 2008 is presented below:

	Q3 2008 ($000)	YTD 2008 ($000)
Construction projects		
Conveying and stacking system	59	1,905
Agglomeration	1,013	1,396
Leach pad expansion and inter-lift liners	195	1,486
Warehouse	157	911
Truck shop	168	829
Camp improvements	29	255
Laboratory and ADR plant	299	657
	1,920	**7,439**
Mineral property and mine development		
Acquisitions and Mulatos relocation	179	2,398
Puerto del Aire capitalized exploration	99	661
	278	**3,059**
Other mine infrastructure	633	2,277
High-grade mill development	775	1,696
Mining equipment	583	2,091
Office and computer equipment	109	150
Cash invested in mineral property, plant and equipment	**4,298**	**16,712**

Capital spending in the first three quarters of 2008 was focused on successful completion of a number of key construction projects intended to improve recoveries and the efficiency of mining operations as described below.

Year-to-date in 2008, the Company invested $1,905,000 to construct and commission the conveying and stacking system and the related lime application silos. The conveying and stacking system was successfully commissioned in April 2008 and has contributed to improved levels of gold recovery, reduced lime consumption and generally higher gold production.

The Company is currently investing in the construction, transport and infrastructure of the drum agglomeration system, which is planned to be operational in the first quarter of 2009. Drum agglomeration is expected to contribute to improved leach pad percolation and corresponding increased gold recoveries.

Other significant construction spending in the third quarter of 2008 included completion of the warehouse and truck shop and capital improvements to the laboratory and ADR plant.

The relocation of the town of Mulatos commenced in the third quarter of 2007. Relocation contracts have been signed with more than half of the families resident in Mulatos at the start of the relocation program. Property owners and possessors are being offered a comprehensive package of benefits including compensation for their property and/or relocation benefits. In certain cases, relocation benefits include deferred monthly payments. The Company has recognized a liability of $1,133,000 representing the discounted value of expected future payments for relocation benefits to property owners and possessors that had signed contracts with the Company as at September 30, 2008. The discounted value of the liability was capitalized to mineral property, plant and equipment.

During the third quarter, the Company invested $643,000 in mine site infrastructure, focused primarily on the construction of a water treatment pond and an intermediate pond to optimize solution control during the rainy season. Investments in mine equipment during the third quarter of $583,000 included the purchase of a new dozer to be used on the leach pad in conjunction with the conveying and stacking system.

A total of $775,000 was invested in the high-grade mill development project in the third quarter of 2008. The Company is completing final metallurgical tests and evaluating the impact on project economics of a new resource at Puerto del Aire, prior to finalizing a development decision.

Exploration and Mine Development Activities

Exploration expenditures in the third quarter and year-to-date in 2008 were $1,482,000 and $3,082,000 respectively. Exploration activities throughout 2008 have been focused on near mine reserve expansion and regional exploration targets. Exploration activities have been successful in adding resource ounces at Puerto del Aire, and delineating new gold zones at both the Cerro Pelon and La Yaqui regional targets.

Puerto del Aire

During the third quarter of 2008, the Company completed an initial resource estimate at Puerto del Aire, located immediately adjacent to the Estrella Pit. The initial resource estimate at Puerto del Aire shows measured and indicated resources totaling 8,907,000 tonnes grading 1.09 g/t Au for a total of 311,000 contained ounces at a 0.5 g/t Au cut-off. Approximately 260 meters of the zone has been drilled at sufficient density for measured and indicated resources, whereas another 300 meters has drilling sufficient only for inferred resources. Inferred resources are 5,935,000 tonnes grading 1.03 g/t Au for a total of 197,000 contained ounces at a 0.5 g/t Au cut-off. This resource is in close proximity to the existing mining operations and is expected to result in a pit layback that will significantly extend the life of the existing Mulatos mine. The zone remains open to the north and northeast, where step-out drilling with two drill rigs is currently underway. Higher-grade mineralization has been encountered in the area, with an intercept of 21.3 meters of 6.27 g/t Au. The Company has invested and capitalized $661,000 in costs associated with Puerto del Aire to-date in 2008.

Cerro Pelon

During the third quarter of 2008, the Company announced the delineation of a new gold zone at Cerro Pelon. Cerro Pelon is located approximately 2.5 kilometers southwest of the leach pad and is a high-priority regional target for the Company, given both its proximity to existing mining operations and its geologic similarity to the Mulatos deposit.

In the second quarter of 2008, the Company completed a soil geochemical grid, and channel sampling of road cuts, resulting in the identification of a well developed soil gold anomaly approximately 400 meters by 100 meters in size with a maximum concentration of 3.3 g/t Au. The zone is coincident with vuggy silica alteration. Road cuts exposed two areas of extensive oxidized gold-bearing vuggy silica alteration within the soil anomaly area. Channel sampling along the upper cut revealed two intervals of gold mineralization, the first containing an interval of 33.4 meters of 2.7 g/t Au with an included interval of 19.8 meters of 3.7 g/t Au. The second sample interval, located approximately 85 meters north, contains 27.4 meters of 1.36 g/t Au.

The Company announced significant drill intercepts from first phase drilling at Cerro Pelon during the third quarter, including 91.5 meters of 1.43 g/t Au in 08CP002, and 90.0 meters of 1.97 g/t Au in 08CP007. Drilling has continued with two rigs throughout the remainder of the third and into the fourth quarter, with 43 holes representing 6,443 meters completed to date.

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

Step-out drilling testing the structural control concepts is continuing, as well as testing stong soil geochemical anomalies coincident with silica alteration on the northwest side of Cerro Pelon approximately one kilometer from the main gold zone.

Drill hole composite intervals to-date as well as a map of drill hole location are available on the Company's website at www.alamosgold.com.

La Yaqui

In the fourth quarter of 2007, the Company announced the discovery of a near-surface oxide gold zone at La Yaqui located approximately 9.5 kilometers southwest of the Estrella Pit. Regional exploration in the first three quarters of 2008 was focused on in-fill and step-out drilling and assaying activities at La Yaqui. The Company has invested a total of $505,000 year-to-date at La Yaqui.

Eight core holes necessary for resource estimation work were recently completed in the main discovery area. Resource estimation work will begin in the fourth quarter.

Liquidity and Capital Resources

At September 30, 2008, the Company had $34.5 million in cash and cash equivalents compared to $7.8 million at December 31, 2007. The Company's working capital position increased from a working capital surplus of $31.4 million at December 31, 2007 to $54.5 million at September 30, 2008.

Cash flows from operating activities in the third quarter of 2008 were $19.3 million or $0.20 per share. The Company reinvested $4.3 million in capital and exploration in the three months ended September 30, 2008 primarily focused on mine development and infrastructure improvements. Proceeds from the exercise of stock options added $1.1 million to the Company's quarterly cash flows from financing activities.

Strong cash flows from operations throughout 2008 have enabled the Company to eliminate all interest-bearing debt obligations. In the second quarter of 2008, the Company induced conversion of its outstanding convertible debenture liability and repaid in excess of $8.0 million to retire its capital lease obligations. The Company is currently generating record cash flows from operations and free cash flows, resulting in a $16.2 million increase in its cash holdings in the third quarter alone.

The Company is currently evaluating a production decision for the high grade mill project. As a result of the determination of a significant resource at Puerto del Aire, the Company is analyzing the prospect of developing Puerto del Aire in conjunction with the Escondida zone. A revised global Mulatos development plan is underway that would involve expanding the current Estrella pit to include Escondida, Puerto del Aire, Mina Vieja and El Salto. The operational and economic impacts of this development plan are currently under review.

If this development plan is determined to be economic, the Company expects to construct a mill to process high grade ores. Expected capital costs associated with pre-stripping Escondida and constructing a mill are estimated at between $50 and $70 million. The Company expects that it will be able to finance the construction of a mill with a combination of current cash balances, cash flows from operations and potential debt financing.

To-date, the Company has not been adversely affected by the recent volatility in global credit and foreign exchange markets. The Company is benefiting from the devaluation of the Mexican peso compared to the United States dollar, as its net financial liabilities denominated in Mexican pesos are revalued at a lower United States dollar amount. In addition, should the current weakness in the value of the Mexican peso persist, the Company's future mine operating costs will decrease significantly as approximately 45% of the Company's mine operating costs are denominated in Mexican pesos. At this time, the global credit crisis is not expected to adversely affect the Company's ability to source debt funding for expansion purposes.

Changes in Accounting Policy and Presentation

Effective January 1, 2008, the Company has adopted the following new Canadian Institute of Chartered Accountants ("CICA") Handbook Sections:

- Section 1535: Capital Disclosures
- Section 3862: Financial Instruments – Disclosure
- Section 3863: Financial Instruments – Presentation
- Section 3031: Inventories

The impact of these standards on the Company's interim financial statements was primarily to increase the disclosures surrounding the Company's capital management program, financial instruments and inventories.

Recent Accounting Pronouncements

The CICA has issued a new standard that has the potential to affect the Company's financial disclosures and results of operations for interim and annual periods beginning January 1, 2009. In February 2008, the CICA issued Handbook Section 3064, "Goodwill and Intangible Assets", which replaces Section 3062, "Goodwill and Other Intangible Assets". This new standard provides guidance on the recognition, measurement, presentation and disclosure of goodwil and intanglible assets and is effective beginning January 1, 2009. Concurrent with the adoption of this standard, EIC-27, "Revenues and expenditures in the Pre-operating period", will be withdrawn. The Company will assess the impact of these changes on our consolidated financial statements.

Conversion to International Financial Reporting Standards

Effective Februrary 13, 2008, the Accounting Standards Board announced that publicly accountable entities will be required to prepare financial statements in accordance with International Financial Reporting Standards ("IFRS") for interim and annual financial statements for fiscal years beginning on or after January 1, 2011.

The Company is currently completing a preliminary diagnostic and will develop an IFRS conversion implementation plan, which will include a detailed assessment of the impact of the conversion on the consolidated financial statements and related disclosures. The plan will also consider the impact of the conversion of the Company's information technology systems, internal controls over financial reporting, performance measurement systems, disclosure controls and procedures and other business activities that may be influenced by generally accepted accounting principles (GAAP) measurements.

The Company is currently performing an analysis of the significant IFRS-GAAP differences with respect to the Company's financial statements and disclosures. The Company will quantify the potential effect of these differences as part of the conversion implementation plan. Certain key members of the finance department of the Company have or will be attending in-depth training sessions regarding significant IFRS-GAAP differences with a particular focus on how they apply to entities in the mining industry.

Internal Control over Financial Reporting

Management is responsible for the design of internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with accounting principles generally accepted in Canada. Based on a review of its internal control procedures at the end of the period covered by this MD&A, management believes its internal controls and procedures are effective in providing reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner.

Changes to Internal Control over Financial Reporting

The Company has made a number of significant changes to its internal control over financial reporting during the three and nine-month periods ended September 30, 2008. These changes have resulted from a formal comprehensive review of the Company's internal control structure and have been implemented in order to improve existing internal controls, policies and procedures. While changes have been made, the Company has not detected any material weaknesses in the design of its internal controls over financial reporting. The majority of the changes that have been made have resulted in formalizing pre-existing controls.

Disclosure Controls

Management is also responsible for the design and effectiveness of disclosure controls and procedures to provide reasonable assurance that material information related to the Company, including its consolidated subsidiaries, is made known to the Company's certifying officers. The Company's Chief Executive Officer and Chief Financial Officer have each evaluated the effectiveness of the Company's disclosure controls and procedures as of September 30, 2008 and have concluded that these controls and procedures are effective in providing reasonable assurance that material information relating to the Company is made known to them by others within the Company.

Off-Balance Sheet Arrangements

The Company may enter into gold contracts which may, in certain circumstances, be classified as off-balance sheet arrangements. Due to the nature of the contracts entered into and in accordance with the Company's accounting policy, the mark-to-market value of these contracts is recorded on the balance sheet. At September 30, 2008, the Company had contracts to deliver up to 12,523 ounces of gold in the third quarter at prices below the September 30, 2008 closing market price. Accordingly, a mark-to-market loss of $515,000 was recognized in other expense and classified within accounts payable and accrued liabilities on the Company's balance sheet.

Commitments Table

The following table summarizes the Company's contractual obligations at September 30, 2008:

Payments due by period ($000)

Contractual Obligations	Total	Less than 1 year	2 – 3 years	4 – 5 years	More than 5 years
Operating lease	840	120	240	240	240
Employee future benefits [1]	1,160	-	-	-	1,160
Asset retirement obligations	5,417	-	-	-	5,417
Property acquisition obligations	1,304	427	575	302	-
	8,721	547	815	542	6,817

[1] Certain termination benefits are provided to Mexican employees on involuntary termination at the end of the life of the mine, as mandated by Mexican Labour Law. In certain circumstances, the Company must also pay other contractual termination or severance benefits, the timing and amount of which are contingent on factors outside of the Company's control.

Contractual obligations also exist with respect to royalties; however gold production subject to royalty cannot be ascertained with certainty and the royalty rate varies with the gold price. Based on the current gold price and rates of production, quarterly royalty expense is expected to continue to be in the range of $1.3 to $1.8 million per quarter.

The Company has signed relocation contracts with certain property owners and possessors in the town of Mulatos. The amount and timing of expected future relocation benefit and property acquisition payments to the residents of Mulatos who had signed contracts with the Company as at September 30, 2008 are presented in the table above. Although future relocation, property acquisition and legal costs may be material, the Company cannot currently determine the expected timing, outcome of negotiations or costs associated with the relocation of the remaining property owners and possessors and potential land acquisitions.

To-date, the Company has not made any material purchase commitments with respect to the proposed construction of a high-grade mill or the development of the Escondida high-grade zone. Such commitments may be material should such plans be approved by the Board of Directors.

Outstanding Share Data

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

	November 4, 2008
Common shares	
- Common shares outstanding	95,854,406
Stock options	
- Average exercise price CDN$6.00; Approximately 70% vested	6,792,500
Total	**102,646,906**

Outlook

Following its fourth consecutive quarter of record production, sales and financial results, the Company continues to demonstrate its ability to improve operating and financial performance. The table below presents key indicators of the Company's operating and financial performance over the past four quarters:

	Q4 2007	**Q1 2008**	**Q2 2008**	**Q3 2008**
Gold production (ounces)	31,390	33,253	38,500	39,900
Gold sales (ounces)	27,030	34,609	35,482	41,293
Cash operating costs (per ounce)	$469	$366	$361	$363
Total cash costs (per ounce)	$509	$414	$405	$405
Earnings from operations (000)	$830	$9,423	$10,175	$11,387
Cash flows from operations (after working capital change) (000)	$9,215	$14,801	$15,198	$19,311

Operational improvements have contributed to higher recoveries, which have resulted in increased gold production and improved financial results that have surpassed management's expectations. The third quarter of the year is the rainy season in Mexico and typically presents operating challenges associated with high rainfall. Operational changes implemented in order to mitigate the adverse effects of rainfall on production activities included mine sequencing and ore blending. These changes contributed to the Company significantly outperforming its third quarter expectations by producing 39,900 ounces, 25% above its guidance of 32,000 ounces. Further, the Company's total cash costs (including the 5% royalty, which varies based on the gold price) in the third quarter were $405 per ounce compared to guidance of $430.

The Company's past focus on reducing debt levels, strengthening its balance sheet, and investing in capital projects to improve recoveries and reduce operating costs has uniquely positioned the Company to expand in the future. While increasing cost pressures are shrinking cash operating margins industry-wide, the Company expects to be able to reduce its total cash costs in the fourth quarter. The Company expects that total gold production in the fourth quarter of 2008 will be between 35,000 and 40,000 ounces, at a total cash cost (including royalties) of approximately $395 per ounce.

A study regarding the construction of a mill to process high grade ores including the Escondida deposit is ongoing, pending an operational and economic evaluation of the potential development of resources at Puerto del Aire in conjunction with Escondida. The Company is currently evaluating the prospect of expanding the Estrella pit to incorporate Puerto del Aire, Escondida, Mina Vieja and El Salto. Estimated costs of pre-stripping Escondida and constructing the high-grade mill are between $50 and $70 million.

The Company expects that its solid current financial position; debt-free with strong existing cash flow balances and strong cash flows from operations will allow it to finance the majority of potential construction costs from existing cash flows, with partial financing from a debt facility or line of credit arrangement.

Drilling at Cerro Pelon is ongoing with step-out testing of the already identified gold zone, in addition to testing other targets. Drilling is in progress to define additional resources in both the northern and northeastern portions of Puerto del Aire, where the Company was successfully in reporting a measured and indicated resource of over 300,000 ounces (0.5 g/t Au cut-off) in the third quarter. Geotechnical drilling is also underway at Puerto del Aire to support pit design work. Phase I drilling has been completed in the main La Yaqui resource area, and data collection for resource estimation is underway. Exploration drilling at El Jaspe is in progress, and drilling at the San Carlos target is scheduled to resume prior to year-end.

Forward-Looking Statements

Except for historical information contained in this management's discussion and analysis, disclosure statements contained herein are forward-looking, as defined in the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those in such forward-looking statements.

This MD&A contains forward-looking statements concerning the Company's plans for its properties and other matters within the meaning of Section 21E of the Securities Exchange Act of the United States. Forward-looking statements include, but are not limited to, statements with respect to anticipated commencement dates of mining expansions, potential expansion costs, operations, projected quantities of future metal production, anticipated production rates and mine life, operating efficiencies, costs and expenditures and conversion of mineral resources to proven and probable reserves, and other information that is based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Statements concerning proven and probable reserves and mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed, and in the case of mineral resources or mineral reserves, such statements reflect the conclusion based on certain assumptions that the mineral deposit can be economically exploited. Exploration results that include geophysics, sampling and drill results on wide spacings may not be indicative of the occurrence of a mineral deposit. Such results do not provide assurance that further work will establish sufficient grade, continuity, metallurgical characteristics and economic potential to be classed as a category of mineral resource. It cannot be assumed that all or any part of an “indicated mineral resource” or “inferred mineral resource” will ever be upgraded to a higher category of resource. Investors are cautioned not to assume that all or any part of the mineral deposits in these categories will ever be converted into proven and probable reserves.

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