ALAMOS GOLD INC.
MANAGEMENT DISCUSSION AND ANALYSIS

This management 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 six month periods ended June 30, 2005 compared with the three and six month periods ended June 30, 2004. Information is current to August 2, 2005. It should be read in conjunction with the Annual Information Form and other information filed by the Company at www.sedar.com.

Introduction

The Company is a development stage mineral exploration company with its Mulatos gold project under construction in Sonora, Mexico, and prospective exploration targets in and around the project. On July 22, 2005, the Company poured its first bar of dore from the Mulatos project.

The MD&A should be read in conjunction with the attached Consolidated Financial Statements of the Company and related Notes (the "Financial Statements"), which have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) for interim reporting (for more complete disclosure see Summary of Significant Accounting Policies Note 2 to the December 31, 2004 Financial Statements) in United States dollars. These principles differ in certain material respects from accounting principles generally accepted in the United States (U.S. GAAP). Significant differences between GAAP and U.S. GAAP applicable to the Company as at December 31, 2004 and described in Note 19 to the December 31, 2004 Financial Statements, do not consider additional GAAP/U.S. GAAP differences which may exist in the treatment of convertible debentures issued in February 2005.

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 and CIM Standards. While the terms "mineral resource," "measured mineral resource," "indicated mineral resource," and "inferred mineral resource" are recognized and required by Canadian regulations, they are not defined terms under SEC standards in the United States. 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 a great uncertainty as to their economic and legal feasibility. It can not 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 any part or all of mineral deposits in these categories will ever be converted into reserves.

In June 2004 the Company completed the Mulatos Feasibility Study Phase One – Estrella Pit. Gold reserves within the Estrella Pit consist of 36.4 million tonnes of ore grading 1.6 grams per tonne (g/t) at varying cutoff grades, beginning at 0.8 g/t, yielding 2.0 million ounces of contained gold of which 1.4 million is estimated to be recoverable.

Highlights

For the three months ended June 30, 2005:

- Commenced stacking ore-grade colluvium overliner on leach pad;
- Commenced overburden removal at Estrella pit.
- Spent $10.8 million on development at Mulatos, plus $3.3 million on mining equipment;
- Spent $0.6 million on exploration at El Salto/Mina Vieja adjacent to Phase I Estrella pit and Escondida/El Victor underground drift development;
- Loss of $2.3 million ($.03 per share);
- Granted 1.3 million incentive stock options;
- Mark Wayne and Brian W. Penny elected directors at annual general meeting of shareholders

Subsequent to June 30, 2005:

- Poured first 117 ounce gold/silver dore bar at Mulatos mine;
- Closed $10 million unsecured bank credit agreement.

Assessment of Gold Market

Gold continued to trade in a narrow band in the second quarter of 2005, between $415 and $440 per ounce and was at $430 on August 2, 2005. The price of gold is attractive for the Company, which prepared its feasibility study and reserves using a base case of $350 per ounce. At these levels, the price of gold has had and may continue to have a positive impact on the economics of the feasibility study for Phase I development of the Mulatos deposit. However, it is not possible to forecast future gold price trends and their impact on future results from operations.

Projects

The Company's major asset is its 21,300-hectare Salamandra group of concessions in Sonora, Mexico, which includes the Mulatos deposit and nine other exploration targets identified to date. The Mulatos deposit consists of several contiguous mineralized zones which contain gold resources of approximately 62.2 million tonnes of ore grading 1.5 g/t at a 0.6 g/t gold cutoff, measured and indicated, excluding resources contained in the Gap, El Victor and San Carlos zones. In June 2004, a feasibility study was completed on the Estrella zone of the Mulatos deposit, which contained gold reserves of 36.4 million tonnes of ore grading 1.6 g/t at varying cutoff grades, beginning with 0.8 g/t in the early years and declines to the internal cutoff in later years to enhance economics. Reserves are 2.0 million ounces of contained gold, of which 1.4

million ounces are recoverable, based on metallurgical testing. The reserves were prepared using a gold price assumption of $350 per ounce. Total projected capital cost, including a $7.7 million contingency, was set at $72.3 million. The feasibility study projects cash operating costs at $174 per ounce. Production is subject to a sliding scale net smelter royalty, which at current gold prices above $400, is set at a rate of 5% of the value of gold and silver, less certain allowed refining and transportation costs.

Construction of the mine at Mulatos began in the third quarter of 2004 and operations commenced in the third quarter of 2005 with the pouring of its first dore bar of gold and silver weighting 117 ounces. Pre-stripping of waste has commenced atop Cerro Estrella. Feasibility level rates of production at 10,000 tonnes of ore per month and 150,000 ounces of gold per year are not expected until year end.

The Company has completed drilling at Southeast Extension Zone and is currently drilling at El Salto and with the goal of adding to its mineral reserve base around the Estrella pit. Twenty-four holes (2,769 meters) have been completed at Mina Vieja. The Company intends to issue a new reserve report after all drilling at Mina Vieja and El Salto has been incorporated into a new reserve model. The Company has also advanced a development program which involves underground drifting through the Escondida, Gap and El Victor zones to a total of 432 meters distance from portals and has currently established two drill locations underground to test ore continuity and high-grade structures. Drifting and additional drill locations will extend over a 1,700 meter strike length.

Total planned exploration and development expenditures around the Estrella Zone, for the Excondida – El Victor underground development and regional targets is budgeted at $6.0 million for 2005, which includes expenditures contingent on follow-up work, if warranted.

Operating Activities

The Company recorded net loss for the three months ended June 30, 2005 of $2.3 million ($0.03 per share), compared with $1.4 million ($0.02 per share) in the corresponding period in 2004. Increased costs partly relate to the issuance of convertible debentures in February 2005 for interest and financing expenses and debenture accretion, offset in part by increased interest income from the cash on hand obtained from the debentures. Stock-based compensation, reflecting the value of incentive stock options granted in the period, amounted to $0.9 million compared with $0.5 million in the corresponding period in 2004. Certain corporate operating costs were also higher in the current period, including $0.4 million in bonus compensation granted in the quarter. Loss for the six month period ended June 30, 2005 was $3.5 million ($.04 per share) compared with $1.9 million ($.03 per share) for the corresponding period in 2004.

The Company received C$50 million ($40.3 million) from the issuance of convertible debentures, before related financing costs in February 2005. The debentures are classified as a liability, with the exception of the portion relating to their conversion feature, which is classified as an equity component, resulting in the carrying value of the debentures being less than their face value. The discount is being accreted over the term of the debentures – in the second quarter of 2005 the amount of accretion of the debenture discount charged to operations was $207,867. Interest expense accrued mainly on the debenture amounted to $557,566, of which $253,750 was capitalized to mineral properties and $303,816 (2004 - $64,434, relating to the H. Morgan loan, repaid in December 2004) was charged to operations. $0.1 million in deferred financing costs associated with the debenture and bank credit agreement which became effective in July 2005was allocated to the debt portion of the debenture and capitalized. This amount is being amortized on a straight line basis over the term of the related debt; financing costs, which includes amortization expense for the second quarter of 2005 was $33,561 (2004 - $nil). A portion of deferred financing costs incurred in the first quarter of 2005, $416,000, was netted against the equity segment of the debenture.

Salaries and management compensation increased to $629,999 in the second quarter of 2005, which included bonus compensation in the amount of $407,600, up from $351,577 in 2004 (bonus $216,000).

The Company incurred a loss on foreign exchange of $85,437 in 2005 (2004 – $115,916) resulting from a loss on Canadian dollar accounts (mainly relating to its Canadian dollar debenture liability) offset in part by a gain on Mexican peso accounts (mainly relating to its sales tax recoverable account). Interest income of $323,523 (2004 - $54,297) was up due to the increase in cash balances from a $23 million equity financing in November 2004 and a $40.3 million convertible debenture financing in February 2005, less development expenditures and equipment purchases relating to the development of the Mulatos deposit.

There were 1.3 million stock option grants during the second quarter of 2005, compared with 1.2 million in the corresponding period in 2004. Total computed value of the stock option grants in the second quarter of 2005 was $1.1 million, (2004: $0.7 million) of which $0.2 million was capitalized to mineral properties and $0.9 million was expensed (2004: $0.5 million)

Summary of Quarterly Results

The following table shows consolidated loss by quarter for the previous eight quarters, on a dollar and per share basis. As the Company is still in the exploration and development stage, it has no sales or revenue. Per share figures are basic and fully diluted.

Loss by quarter

	Q1	**Q2**	**Q3**	**Q4**
	$	**$**	**$**	**$**
2005	1,138,479	2,326,551		
Per share	0.01	0.03		
2004	457,407	1,437,139	400,458	1,477,220
Per share	0.01	0.02	0.01	0.02
2003			520,575	980,701
Per share			0.01	0.02

Significant variations in charges to expense in each quarter include: non-cash compensation recorded in the amount of $403,989 in Q4 2003 and $82,775, $469,190 and $392,000 in Q1, Q2 and Q4 respectively of 2004, and $927,000 in Q2 2005, reflecting the value of the grant of incentive stock options to personnel. Q1 and Q2 -2005 contains charges for debenture accretion, interest and financing expense relating to convertible debentures issued in February 2005. Bonus compensation was granted in the amount $407,600 in Q2-2005 and $216,000 in Q2-2004.

Financial and Other Instruments

Company's financial assets and liabilities consist of cash and cash equivalents, receivables, accounts payable and accrued liabilities and the debt portion of a convertible debenture, some of which are denominated in Canadian dollars or Mexican pesos. These accounts are recorded at cost, except for the convertible debentures, which approximates their fair value at each reporting period value in United States dollars. The convertible debenture is recorded at the discounted value of future cash flows, using the Company's risk adjusted discount rate of 12.6% and is adjusted quarterly for changes in the Canadian dollar to United States dollar exchange rate. The amount of debenture discount is accreted to the carrying value of the debenture on a quarterly basis. The Company is vulnerable to financial gain or loss as a result of foreign exchange movements against the United States dollar. In the second quarter 2005, the Company recorded a net loss of $85,437, with a loss on Canadian dollar translation of its net monetary liabilities offset in part by a gain on Mexican peso accounts. The Company minimizes its foreign exchange risk by maintaining low net account balances in Canadian dollars and Mexican pesos, to the extent possible. The Company has entered into agreements to acquire $16 million Canadian dollars at fixed future prices to offset a portion of its Canadian dollar debenture liability which is not offset by Canadian dollars on deposit.

The Company has placed its cash and cash equivalents in short-term liquid deposits or investments which provide a revised rate of interest upon maturity.

Investment in Mineral Exploration and Development

Net investments in mineral properties for the first six months of 2005 was $14.3 million of which $13.3 million related to the development of Phase I of the Mulatos deposit, which is projected in its June 2004 feasibility study to cost $72.3 million. Approximately $1.6 million in sales taxes were reclassified as currently recoverable; in prior years, refundable sales taxes in Mexico were often difficult to recover, but Mexican tax authorities are now more diligent in responding to refund claims.

At the end of June 2005 the Company had spent to date an estimated $50.0 million on construction and procurement at Mulatos. Emphasis in the second quarter 2005 was placed on completing the process systems at Mulatos and prepare for gold production. Major expenditures included $2.6 million on the leach pad, $1.7 million on power facilities, $1.0 million on equipment refurbishing and maintenance, $1.0 million on mine access and haul roads, and $0.3 million on water systems. Phase I of the leach pad was completed, and at June 30, 2005 approximately 100,000 tonnes of gold bearing material was placed as an overliner. There is an additional 300,000 tonnes of gold-bearing material adjacent to the pad awaiting screening before being loaded to the pad. Solution ponds are in place and have been lined. Plant construction is substantially completed and is in commissioning phase. Power is currently being supplied by on site generators.

In the three months ended June 30, 2005, equipment purchases and installations amounted to $3.3 million and included $2.5 million on the three-stage crusher and conveyor system.

In the second quarter of 2005, the Company recorded an increase of $114,000 in its valuation of asset retirement obligations (AROs), based on ongoing development work at Mulatos. This valuation reflects the discounted cash flows anticipated for future removal and site restoration and is added to the cost of the relevant mineral property.

Capital Resources and Liquidity

In February 2005, the Company issued $40.3 million (C$50 million) 5.5% convertible unsecured subordinated debentures maturing on February 15, 2010, net of a 3.5% underwriters' fee. The debentures bear interest at an annual rate of 5.5%, payable semi-annually in arrears on February 15 and August 15 of each year. The debentures are convertible into common shares at a rate of 188.6792 common shares for each C$1,000 principal amount of debentures. In certain circumstances, the debentures may be redeemed in whole or in part at the option of the company after February 15, 2008.

The debentures are classified as a liability, with the exception of the portion relating to their conversion features, which are classified as an equity component, resulting in the carrying value of the debentures being less than their face value.

The Company ended June 30, 2005 with $35.7 million in cash and cash equivalents compared with $28.1 million (which includes short-term investments) at December 31, 2004. The Company also had $2.3 million in funds set aside to pay the first year estimated interest on the convertible debentures, in accordance with the terms of the trust indenture. At June 30, 2005 the estimated cost to complete the Mulatos project construction and procurement was approximately $25 million.

At June 30, 2005, the Company had $44.1 million in working capital, an increase from working capital of $29.0 million at December 31, 2004. Cash, cash equivalents and short-term investments increased by $7.4 million from December 2004 balances. The increase in cash and short-term investments resulted primarily from funds received from the $40.3 million convertible debenture issue in February 2005, and from the receipt of $1.1 million from the exercise of warrants and stock options. Payables increased from $1.0 million at December 2004 to $2.5 million at June 2005 (unchanged from March 2005) in response to increased construction activities at Mulatos. The other significant changes in working capital resulted from: the increase in contractor advances, to support equipment mobilization and deposits, from $1.7 million to $4.1 million; classification of sales tax recoverable of $3.4 million as a current asset reflecting a more timely collection outlook; and inventory of gold-in-process of $0.5 million reflecting the cost of pad-loading and stockpiling of gold-bearing material undergoing processing into a gold/silver dore product.

The Company is adequately funded to carry out further development work at Mulatos. It has an exploration budget of $6 million for the year (of which $1.0 million has been spent to date) and expects to have a working capital requirement of up to $5 million or more throughout 2005, depending on the level of gold in-process inventory, inventory of spare parts, and the timing of recovery of refundable sales taxes, down from the current level of $8 million which includes short-term contractor advances. First gold pour was achieved on July 20 2005, although sustained production at the feasibility rate is expected before year end. The Company expects to generate some cash flow from operations prior to completing construction at Mulatos.

Strategic Outlook

In the second quarter of 2005 the Company focused on completing the processing systems at the Mulatos mine, and continued development drilling adjacent to the Mulatos deposit at El Salto and Mina Vieja and in the adjoining Escondida-El Victor mineralized areas. The Company expects to have a revised reserve model in the third quarter 2005 which will incorporate drilling results at El Salto and Mina Vieja.

The Company continues to advance the Escondida-El Victor underground drift development to a total of 1,700 meters and to develop drill sites along the drift. As results warrant, Escondida-El Victor will be incorporated into a revised reserve model some time in the first half of 2006.

At Los Bajios, the site of exploration drilling in 2004, the Company completed a 3D IP survey. Targets are being developed for drill testing. The Company also plans to test targets at El Jaspe in the third quarter 2005.

Off-Balance Sheet Arrangements

The Company has entered into agreements to acquire $16.0 million Canadian dollars in 2007 at a fixed price to offset a portion of its Canadian dollar debenture liability which is not offset by Canadian dollars on deposit. As at June 30, 2005, the Company has recorded an unrealized gain of $325,000 on these contracts. Subsequent to the end of the second quarter 2005, the Company entered into an agreement to acquire an additional $6 million Canadian dollars at a fixed price.

Commitments Table (by period)

The following table lists as at June 30, 2005 information with respect to the Company's contractual obligations.

	Payments due by period				
Contractual Obligations ($)	**Total**	**Less than 1 year**	**1- 3 years**	**3 – 5 years**	**More than 5 years**
Long-Term Debt Obligations [1]	52,030,000	2,240,000	4,490,000	45,300,000	-
Purchase Obligations [2]	8,000,000	8,000,000	-	-	-
Future currency purchases	13,000,000	-	13,000,000	-	-
Liabilities reflected on the Company's Balance Sheet under the GAAP of the primary financial statements [3]	700,000	-	-	-	700,000
Others	-	-	-	-	
Total	**73,730,000**	**10,240,000**	**17,490,000**	**45,300,000**	**700,000**

Contractual obligations exclude expenses, except as noted, of a fixed nature expected to be incurred in the normal course of operations.

(1) Based on June 30, 2005 USD/CDN exchange rate. The Company issued CDN$50 million ($40.3 million) in convertible debentures due in February, 2010, unless converted into common shares of the Company at the option of the holder, with an annual interest rate of 5.5%.

(2) Based on contracts entered into as at June 30, 2005, out of a total estimated cost to completion of $25 million.

(3) Estimated asset retirement obligations, presented on a non-discounted cash-flow basis.

Related Party Transactions

The Company received consulting services from one director on a fee for services plus retainer basis, resulting in an ongoing commitment. Total contractual fees paid were $34,260 (2004 - $309,700 to a director and officer of the Company). In 2004, consulting services were subject to the terms of an annual renewable services contract for an officer and director – the form of this services contract was discontinued in the fourth quarter of 2004. These transactions have occurred in the normal course of operation and are measured at their fair value.

Outstanding Share Data

The Company has one class of common shares: as of August 2, 2005, there were 77,297,418 common shares outstanding.

The Company has a stock option plan: as of August 2, 2005, there were 4,780,983 stock options granted and outstanding, all of which have vested.

The Company has outstanding as of August 2, 2005, 4,896,000 share purchase warrants.

The Company has outstanding as of August 2, 2005, face value of CDN$50,000,000 convertible debentures.

Risk and Uncertainties

Except for historical information contained in this 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. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Statements concerning 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. 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.

The nature of risks and uncertainties are discussed more fully in the Annual Information Form filed by the Company and in the December 31, 2004 MD&A and apply to this period under review.