

ALAMOS GOLD INC.

Consolidated Financial Statements
(Expressed in US Dollars)

March 31, 2005

Unaudited – Prepared by Management – See Notice to Reader

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NOTICE TO READER OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The financial statements of Alamos Gold Inc. and the accompanying interim consolidated balance sheet at March 31, 2005 and the interim consolidated statements of operations and deficit, cash flows, mineral properties for the three month periods then ended are the responsibility of the Company's management. These consolidated financial statements have not been reviewed by the independent external auditors of the Company. The interim consolidated financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with Canadian generally accepted accounting principles for interim reports.

ALAMOS GOLD INC.
CONSOLIDATED BALANCE SHEETS
(Stated in United States dollars)
(Unaudited - prepared by management)

	<u>March 31,</u> <u>2005</u>	<u>December 31,</u> <u>2004</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 53,983,367	\$ 13,127,463
Restricted cash (note 5)	2,354,498	-
Short-term investments	-	15,000,000
Amounts receivable	303,894	112,117
Advances and prepaid expenses	2,252,750	1,733,284
	<u>58,894,509</u>	<u>29,972,864</u>
Deferred financing charges (Note 6)	1,159,861	-
Equipment (note 3)	16,702,975	10,442,580
Mineral properties (note 4)	<u>41,470,773</u>	<u>35,463,590</u>
	<u>\$118,228,118</u>	<u>\$ 75,879,034</u>
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	<u>2,523,759</u>	<u>943,319</u>
Convertible debentures (note 5)	30,920,485	-
Asset retirement obligations (note 7)	93,000	50,000
SHAREHOLDERS' EQUITY		
Share capital (note 11(a))	87,130,641	86,170,028
Convertible debentures (note 5)	9,983,025	-
Contributed surplus	1,877,036	1,877,036
Deficit	<u>(14,299,828)</u>	<u>(13,161,349)</u>
	<u>84,690,874</u>	<u>74,885,715</u>
	<u>\$118,228,118</u>	<u>\$ 75,879,034</u>
Continuing operations (note 1)		

See notes to consolidated financial statements

ALAMOS GOLD INC.
Consolidated Statements of Operations and Deficit
(Stated in United States dollars) (unaudited)

	For the three months ended March 31,	
	2005	2004
Expenses		
Salaries and management fees	\$ 217,286	\$134,712
Foreign exchange loss (gain)	93,751	(16,430)
Legal, audit and accounting	74,220	54,732
Office and administration	149,038	54,066
Shareholder communications	94,584	34,879
Travel and accommodation	56,818	42,752
Trust and filing fees	57,434	7,259
Stock-based compensation	-	82,775
Interest expense	313,898	64,902
Interest income	(281,171)	(11,051)
Financing costs	54,404	-
Depreciation	60,747	8,811
Accretion of debenture discount	245,470	-
Accretion of asset retirement obligations	2,000	-
	<hr/>	<hr/>
Loss for the period	1,138,479	457,407
Deficit, beginning of the period	13,161,349	9,389,125
	<hr/>	<hr/>
Deficit, end of the period	<u>\$14,299,828</u>	<u>\$9,846,532</u>
	<hr/>	<hr/>
Loss per share (note 10)	\$ 0.01	\$ 0.01

See notes to consolidated financial statements

ALAMOS GOLD INC
Consolidated Statements of Cash Flows
(Stated in United States dollars) (unaudited)

	For the three months ended	
	March 31,	
	2004	
Cash provided by (used for):		
Operating Activities		
Loss for the period	\$(1,138,479)	\$(457,407)
Adjustments for items not involving cash:		
Depreciation	60,747	8,811
Accretion of asset retirement obligations	2,000	-
Amortization of deferred financing costs	40,000	-
Accretion of debenture discount	245,470	-
Foreign exchange gain on note payable	-	(25,612)
Stock-based compensation	-	82,775
	<u>(790,262)</u>	<u>(391,433)</u>
Changes in non-cash working capital components:		
Amounts receivable	(191,777)	(28,625)
Prepaid expenses	(5,918)	(311,957)
Accounts payable and accrued liabilities	216,465	(378,520)
	<u>(771,492)</u>	<u>(1,110,535)</u>
Investing Activities		
Mineral properties	(4,602,208)	(1,249,386)
Short-term investments	15,000,000	-
Advances on construction contracts	(513,548)	-
Purchase of equipment	(6,321,142)	(22,468)
	<u>3,563,102</u>	<u>(1,271,854)</u>
Financing Activities		
Proceeds from the issue of convertible debentures	41,074,040	-
Proceeds from the issue of common shares	960,613	963,692
Financing costs	(1,615,861)	-
	<u>40,418,792</u>	<u>963,692</u>
Restricted cash	(2,354,498)	-
Net increase(decrease) in cash and cash equivalents	40,855,904	(1,418,697)
Cash and cash equivalents, beginning of period	<u>13,127,463</u>	<u>8,981,575</u>
Cash and cash equivalents, end of period	<u>\$53,983,367</u>	<u>\$7,562,878</u>

See notes to consolidated financial statements

ALAMOS GOLD INC.
CONSOLIDATED STATEMENTS OF MINERAL PROPERTIES
(Stated in United States dollars) (unaudited)

	December 31, 2003	Expenditures 2004	December 31, 2004	Expenditures March 31, 2005	March 31, 2005
MINERAL PROPERTY UNDER DEVELOPMENT					
Mulatos Project					
Acquisition	\$13,845,789	\$4,628,311	\$18,474,100	\$ -	\$18,474,100
Exploration:					
Administration	155,351	320,798	476,149		476,149
Analytical	90,803	-	90,803		90,803
Feasibility study	254,989	586,787	841,776		841,776
Field work and supplies	1,294,998	362,623	1,657,621	69,656	1,727,277
Geological	844,675	149,998	994,673		994,673
Claims maintenance	182,454	181,531	363,985		363,985
Equipment rental	195,007	12,867	207,874		207,874
Property and other taxes	471,920	1,867,753	2,339,673	846,447	3,186,120
Site development	-	146,981	146,981		146,981
Travel and accommodation	117,517	34,470	151,987		151,987
Development:					
Administration	-	138,298	138,298	158,002	296,300
Roads	-	1,139,547	1,139,547	787,834	1,927,381
Leach pad	-	1,940,174	1,940,174	1,973,690	3,913,864
Facilities	-	1,231,261	1,231,261	733,769	1,965,030
Water systems	-	2,163,373	2,163,373	432,349	2,595,722
Utilities	-	262,356	262,356	278,042	540,398
Maintenance	-	521,837	521,837	116,008	637,845
Asset retirement obligation	-	50,000	50,000	41,000	91,000
Capitalized interest	-	-	-	36,796	36,796
Capitalized depreciation	-	149,428	149,428	109,000	258,428
Other costs	-	116,465	116,465	138,996	255,461
	\$17,453,503	\$16,004,858	\$33,458,361	\$5,721,589	\$39,179,950
UNPROVEN MINERAL PROPERTIES					
Active Projects					
Drilling	-	\$ 534,457	\$ 534,457	81,855	616,312
Assaying	-	127,166	127,166	18,350	145,516
Geology	-	86,789	86,789	40,415	127,204
Administration	-	113,449	113,449	90,495	203,944
Equipment	-	18,170	18,170	12,570	30,740
Other costs	-	114,560	114,560	41,909	156,469
	-	994,591	994,591	285,594	1,280,185

	December 31, 2003	Expenditures 2004	December 31, 2004	Expenditures March 31, 2005	March31, 2005
Inactive Project					
La Fortuna Property					
Acquisition	295,300	-	295,300	-	295,300
Exploration:					
Analytical	28,714	-	28,714	-	28,714
Field work and supplies	347,776	-	347,776	-	347,776
Geological	226,336	-	226,336	-	226,336
Claims maintenance	75,043	2,273	77,316	-	77,316
Travel and accommodation	35,196	-	35,196	-	35,196
	1,008,365	2,273	1,010,638	-	1,010,638
	\$ 1,008,365	\$ 996,864	\$ 2,005,229	285,594	2,290,823
	\$ 18,461,868	\$17,001,722	\$ 35,463,590	\$6,007,183	\$41,470,773

See notes to consolidated financial statements

ALAMOS GOLD INC.
Consolidated Notes to Financial Statements
(Stated in United States dollars) (unaudited)

1. NATURE OF OPERATIONS

The Company is engaged in the acquisition, exploration and development of mineral rights that are considered sites of potential economic mineralization. These activities are currently conducted primarily in Mexico. The Company's principal mineral rights interest is in the Mulatos deposit and an additional nine satellite gold systems identified to date which together comprise the 21,300 hectare Salamandra Property in Sonora, Mexico. The Mulatos deposit contains economically recoverable reserves which the Company intends to develop and exploit.

The Company has not yet generated cash flow from operations to fund its exploration and development activities and has therefore relied principally upon the issuance of securities for financing. The Company intends to continue relying upon the issuance of securities to finance its operations and exploration and development activities to the extent such instruments are issuable under terms acceptable to the Company. Accordingly, the Company's financial statements are presented on a going concern basis, which assumes that the Company will continue to realize its assets and discharge its liabilities in the normal course of operations. If future financing is unavailable, the Company may not be able to meet its ongoing obligations, in which case the realizable values of its assets may decline materially from current estimates.

2. ACCOUNTING POLICIES AND BASIS OF PRESENTATION

These interim financial statements have been compiled in United States dollars in accordance with accounting principles generally accepted in Canada for interim reporting using the same accounting policies and measurement criteria as those utilized in the preparation of the Company's audited financial statements dated December 31, 2004, except as noted below. These interim financial statements do not conform in all respects with disclosures required for annual financial statements and should be read in conjunction with those annual financial statements and notes thereto.

The Company has adopted the accounting recommendations contained in accounting guideline AcG-15, consolidation of variable interest entities. There was no impact on the financial statements as a result of the initial implementation of this accounting standard.

ALAMOS GOLD INC.
Consolidated Notes to Financial Statements
(Stated in United States dollars) (unaudited)

3. EQUIPMENT

	March 31, 2005		December 31, 2004	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Mining equipment	\$17,020,019	\$414,541	\$16,605,478	\$10,352,040
Office and computer equipment	127,076	29,579	97,497	90,540
	\$17,147,095	\$ 444,120	\$16,702,975	\$10,442,580

4. MINERAL PROPERTIES

Deferred Costs

The Company's properties are located in Mexico and its interest in these properties is maintained under agreements with the titleholders.

a) Sonora, Mexico

Salamandra Group

The Company had acquired a 100% interest in this property which comprises approximately 21,300 hectares, in consideration for the payment of CDN\$11,154,011 in acquisition costs and assigned expenses. The most advanced property within the group is Mulatos.

The property is subject to a sliding scale net smelter royalty (NSR) on the first 2,000,000 ounces of gold production from certain concessions. The royalty commences at 1% when the price of gold is less than \$300 per ounce, rising to 5% when the price of gold exceeds \$400 per ounce.

Mulatos Project

In June 2004, the Company completed a feasibility study on a portion of the Mulatos property known as the Estrella Pit Development. The Company has received all requisite permits for construction and mine operation.

Other Exploration Properties

The Company has more than 9 exploration targets within the 21,300 ha. land package comprising the Salamandra group of concessions.

b) Durango, Mexico

La Fortuna Property

The Company owns a 100% interest in three mineral concessions, covering approximately 606 hectares, which were written-down in 2000 to their estimated recoverable amount of \$1 million.

ALAMOS GOLD INC.
Consolidated Notes to Financial Statements
(Stated in United States dollars) (unaudited)

5. CONVERTIBLE DEBENTURES

Effective February 2, 2005, the Company issued 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 discount is being accreted over the term of the debentures, utilizing the effective interest rate method and the 12.6% interest rate implicit in the debentures.

In accordance with the terms of the trust indenture, the Company has set aside C\$2,848,000 (\$2,354,498) for interest due from February 2, 2005 to February 15, 2006.

6. DEFERRED FINANCING CHARGES

Costs incurred and allocated to the debt portion of the debenture financing are amortized over the 5-year term of the debt on a straight-line basis.

	March 31, 2005	December 31, 2004
	\$	\$
Convertible debenture	1,199,861	-
less, accumulated amortization	(40,000)	-
	<u>1,159,861</u>	<u>-</u>

7. ASSET RETIREMENT OBLIGATIONS

The fair value of a liability for an asset retirement obligation is recognized in the period in which it is incurred, on a discounted cash flow basis, if a reasonable estimate can be made. The liability accretes to its full value over time through charges to operations. In addition, the fair value is added to the carrying amount of the company's mineral property under development, and will be amortized over the useful life of the property when it enters production.

ALAMOS GOLD INC.
Consolidated Notes to Financial Statements
(Stated in United States dollars) (unaudited)

7. ASSET RETIREMENT OBLIGATIONS (Continued)

Continuity of asset retirement obligation:

	Three months ended March 31, 2005	
Obligations at January 1	\$	50,000
Discounted revisions in estimated cash flows		41,000
Accretion of discounted cash flows		2,000
Liabilities settled		
Obligations at March 31	\$	93,000

8. RELATED PARTY TRANSACTIONS

For the three month period ended March 31, 2005, a director of the Company was paid an aggregate of \$16,100, (2004 - \$79,000 to a director and officer) for management and administrative services. These fees have been paid in the normal course of operations and are measured at the fair value as determined by management.

9. SEGMENTED INFORMATION

	March 31, 2005	December 31, 2004
Assets by geographic segment, at cost		
Mexico	\$ 64,128,767	\$ 48,776,475
Canada	54,099,351	27,102,559
	<u>\$118,228,118</u>	<u>\$ 75,879,034</u>

	Three months ended March 31			2005			2004		
	Mexico	Canada	Total	Mexico	Canada	Total	Mexico	Canada	Total
Loss	<u>\$205,888</u>	<u>\$932,591</u>	<u>\$1,138,479</u>	<u>\$79,401</u>	<u>\$378,006</u>	<u>\$457,407</u>			

The Company is in the development stage and has no reportable revenue.

ALAMOS GOLD INC.
Consolidated Notes to Financial Statements
(Stated in United States dollars) (unaudited)

10. LOSS PER SHARE

Loss per share has been calculated using the weighted-average number of shares outstanding during the three-month period ended March 31, 2005 of 77,095,196 (2004 – 50,699,157) shares. Fully-diluted loss per share is not disclosed as it is antidilutive.

11. SHARE CAPITAL

- a) Authorized share capital of the Company consists of unlimited common shares without par value.

	Number of Shares	Amount
		\$
Outstanding at January 1, 2005	76,777,918	86,170,028
Exercise of warrants	340,000	960,613
Outstanding at March 31, 2005	<u>77,117,918</u>	<u>87,130,641</u>

- b) Stock options outstanding at March 31, 2005

Number	Expiry Date	Exercise Price
		CDN \$
375,000	December 16, 2009	3.50
850,000	June 25, 2009	2.25
110,000	February 12, 2009	2.75
883,500	December 9, 2008	2.50
557,483	July 23, 2008	1.13
150,000	January 30, 2008	0.76
150,000	July 22, 2007	1.00
345,000	June 25, 2007	2.25
182,500	June 3, 2007	1.16
<u>3,603,483</u>		<u>2.11</u>

There were no changes in stock options during the three-month period ended March 31, 2005

ALAMOS GOLD INC.
Consolidated Notes to Financial Statements
(Stated in United States dollars) (unaudited)

11. SHARE CAPITAL (Continued)

c) Warrants outstanding on March 31, 2005 are as follows:

Number	Expiry Date	Exercise Price
4,560,000	April 8, 2006	CDN \$ 3.50

Summary of warrant activity:

	Shares	Weighted Average Price
		CDN \$
Balance at January 1, 2005	4,900,000	3.50
Exercised	(340,000)	3.50
Balance at March 31, 2005	4,560,000	3.50

12. CONTINGENCIES AND COMMITMENTS

The Company is currently developing the Phase I – Estrella Pit on its Mulatos deposit at a capital cost of \$72.3 million, as outlined in the June 2004 Estrella Pit Development Feasibility Study. At March 31, 2005, the Company had committed expenditures in the amount of \$15.0 million for future procurement and development at the project out of a total estimate of \$41 million cost to complete the project.