

# SECURITIES AND EXCHANGE COMMISSION

## FORM SC TO-T

Third party tender offer statement

Filing Date: **2013-01-14**  
SEC Accession No. [0001193125-13-011439](#)

([HTML Version](#) on [secdatabase.com](#))

### FILED BY

#### ALAMOS GOLD INC

CIK: [1178819](#) | IRS No.: **000000000**

Type: **SC TO-T**

SIC: **1400** Mining & quarrying of nonmetallic minerals (no fuels)

Business Address

SUITE 1400  
400 BURRARD STREET  
VANCOUVER A1 00000  
6046431787

### SUBJECT COMPANY

#### AURIZON MINES LTD

CIK: [913955](#) | IRS No.: **000000000** | Fiscal Year End: **1231**

Type: **SC TO-T** | Act: **34** | File No.: [005-78974](#) | Film No.: **13526827**

SIC: **1090** Miscellaneous metal ores

Mailing Address

SUITE 3120, PARK PLACE  
666 BURRARD STREET  
VANCOUVER A1 V6C3A8

Business Address

SUITE 3120, PARK PLACE  
666 BURRARD STREET  
VANCOUVER A1 V6C3A8  
6046876600

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**SCHEDULE TO  
TENDER OFFER STATEMENT UNDER SECTION 14(d)(1)  
OR SECTION 13(e)(1) OF THE SECURITIES EXCHANGE ACT OF 1934**

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**AURIZON MINES LTD.**

(Name of Subject Company (Issuer))

**ALAMOS GOLD INC.**

(Names of Filing Persons (Offerors))

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**Common Shares**

(Title of Class of Securities)

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**05155P106**

(CUSIP Number of Class of Securities)

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**Matthew Howorth**

**Alamos Gold Inc.**

**130 Adelaide Street West, Suite 2200**

**Toronto, Ontario, Canada**

**M5H 3P5**

**(416) 368-9932**

(Name, address and telephone number of person authorized to receive notices and communications on behalf of filing persons)

**Torys LLP**

**1114 Avenue of the Americas**

**23rd Floor**

**New York, New York 10036**

**Attention: Mile T. Kurta**

**(212) 880-6000**

(Name, address and telephone number of person authorized to receive notices and communications on behalf of filing persons)

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**with copies to:**

**Torys LLP**

**1114 Avenue of the Americas**

**23rd Floor**

**New York, New York 10036**

**Attention: Mile T. Kurta**

**(212) 880-6000**

**Torys LLP**

**79 Wellington Street West, Suite 3000**

**Box 270, TD Centre**

**Toronto, Ontario**

**M5K 1N2**

**Attention: Kevin M. Morris**

**(416) 865-0040**

### CALCULATION OF FILING FEE:

Transaction Valuation*	Amount of Filing Fee**
US\$568,397,418.48	US\$77,529.41

\* Estimated solely for the purpose of calculating the amount of the filing fee based on a transaction value equal to the product of (i) US\$3.24, which is the average of the high and low sale prices of Aurizon Mines Ltd. common shares (the "Common Shares") as reported on the NYSE MKT on December 24, 2012, and (ii) 175,431,302, which is the estimated number of outstanding Common Shares (assuming full conversion of all outstanding convertible and exercisable securities for Common Shares), other than any Common Shares owned directly or indirectly by Alamos Gold Inc. and its affiliates.

\*\* The amount of filing fee is calculated in accordance with Rule 0-11 of the Securities Exchange Act of 1934, as amended.

☒ Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number or the Form or Schedule and the date of its filing.

Amount Previously Paid: US\$36,034.39  
Form or Registration No: Form F-10  
Filing Party: Alamos Gold Inc.  
Date Filed: January 14, 2013

☐ Check the box if the filing relates to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- ☒ THIRD- PARTY TENDER OFFER SUBJECT TO RULE 14D-1.  
☐ ISSUER TENDER OFFER SUBJECT TO RULE 13E-4.  
☐ GOING- PRIVATE TRANSACTION SUBJECT TO RULE 13E-3.  
☐ AMENDMENT TO SCHEDULE 13D UNDER RULE 13D-2.

☐ Check the box if the filing is a final amendment reporting the results of the tender offer.

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This Tender Offer Statement on Schedule TO (this “Schedule TO”) is filed by Alamos Gold Inc., a corporation existing under the laws of British Columbia (“Alamos” or the “Registrant”).

This Schedule TO relates to the offer to purchase (the “Offer”) by Alamos for all of the issued and outstanding common shares (the “Common Shares”) of Aurizon Mines Ltd. (“Aurizon”) (assuming full conversion of all outstanding convertible and exercisable securities for Common Shares), other than any Common Shares owned directly or indirectly by Alamos and its affiliates. The Offer is subject to the terms and conditions set forth in Alamos’ Offer and Circular dated January 14, 2013 (the “Offer and Circular”), a copy of which is attached hereto as Exhibit (a)(1)(i).

The information set forth in the Offer and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, including all schedules, exhibits and annexes thereto, is hereby expressly incorporated herein by reference in response to all items of information required to be included in, or covered by, this Schedule TO, and is supplemented by the information specifically provided herein.

Alamos has filed a registration statement on Form F-10 with the United States Securities and Exchange Commission relating to the common shares it proposes to issue to Aurizon shareholders in connection with the Offer, and will also file the Offer and Circular and all other tender offer documents required under applicable Canadian and United States securities regulations.

#### **Item 1. Summary Term Sheet.**

The information set forth under “Summary” and “Offer” in the Offer and Circular is incorporated herein by reference.

#### **Item 2. Subject Company Information.**

- (a) The name of the subject company is Aurizon Mines Ltd., a corporation existing under the laws of British Columbia. The executive offices of Aurizon are located at Suite 1120, Cathedral Place, 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2, Canada, telephone (604) 687-6600.
- (b) The class of securities to which this statement relates is the Common Shares of which 164,532,827 were issued and outstanding as of December 18, 2012 (175,431,302, assuming full conversion of all outstanding convertible and exercisable securities for Common Shares). The information set forth on the cover page and in the introduction of the Offer and Circular is incorporated herein by reference.
- (c) The information set forth under “Certain Information Concerning Securities of Aurizon” in the Offer and Circular is incorporated herein by reference.

#### **Item 3. Identity and Background of Filing Person.**

- (a) This Schedule TO is filed by Alamos Gold Inc., a corporation existing under the laws of British Columbia. The information set forth under “Summary Term Sheet” in the Offer and Circular is incorporated herein by reference.
- (b) The information set forth under “Alamos” in the Offer and Circular is incorporated herein by reference.

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- (c) In the past five years, to the best knowledge of Alamos, none of the persons listed in Schedule “E” to the Offer and Circular or persons holding more than 10% of any class of equity securities of Alamos (i) has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), or (ii) has been a party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining such officer, director or person from future violations of, or prohibiting activities subject to, U.S. federal or U.S. state securities laws, or a finding of any violation of U.S. federal or U.S. state securities laws.

#### **Item 4. Terms of the Transaction.**

The information set forth under “Summary” and “Offer” in the Offer and Circular is incorporated herein by reference.

#### **Item 5. Past Contacts, Transactions, Negotiations and Agreements.**

Except as described in the Offer and Circular, during the past two years there have not been any negotiations, transactions or material contacts between Alamos or any of its subsidiaries or, to the best knowledge of Alamos, any of the persons listed in Schedule “E” to the Offer and Circular, on the one hand, and Aurizon or any of its directors, executive officers or affiliates, on the other hand, that are required to be disclosed pursuant to this item.

#### **Item 6. Purpose of the Transaction and Plans or Proposals.**

The information set forth in the introduction and under “Purpose of the Offer and Alamos’ Plans for Aurizon” in the Offer and Circular is incorporated herein by reference.

#### **Item 7. Source and Amount of Funds or other Consideration.**

The information set forth under “Source of Funds” in the Offer and Circular is incorporated herein by reference.

#### **Item 8. Interest in Securities of Subject Company.**

Except as described in the Offer and Circular, neither Alamos nor, to the best knowledge of Alamos, any of the persons listed in Schedule “E” to the Offer and Circular, or any associate or majority-owned subsidiary of Alamos or any of the persons listed in Schedule “E” to the Offer and Circular, beneficially owns any equity security of Aurizon; and except as described in the Offer and Circular, none of Alamos or, to the best knowledge of Alamos, any associate or majority-owned subsidiary of Alamos, has effected any transaction in any equity security of Aurizon during the past 60 days.

#### **Item 9. Persons/Assets Retained, Employed, Compensated or Used.**

The information set forth in the introduction and under “Financial Advisor, Dealer Manager and Soliciting Dealer Group” in the Offer and Circular is incorporated herein by reference.

#### **Item 10. Financial Statements.**

The information set forth under “Certain Information Concerning Securities of Alamos”, under “Summary of Alamos Historical and Pro Forma Financial Information” and in Schedule “E” – Unaudited Pro Forma Consolidated Financial Statements is incorporated by reference herein. The information set forth in the following documents incorporated by reference into the Offer and Circular is incorporated by reference herein: (i) annual information form, dated March 29, 2012, for the year ended December 31, 2011; (ii) annual audited consolidated financial statements for the year ended December 31, 2011, including consolidated statements of financial position as at December 31, 2011, December 31, 2010 and January 1, 2010 and consolidated statements of comprehensive income and changes in equity and cash flows for the years ended December 31, 2011 and December 31, 2010 and related notes, together with the auditors’ report thereon, contained therein; (iii) management’ s discussion and analysis for the annual audited consolidated financial statements for the year ended December 31, 2011; (iv) unaudited interim consolidated financial statements for the three and nine months ended September 30, 2012, together with the notes thereto; and (v) management’ s discussion and analysis for the unaudited interim consolidated financial statements for the three and nine months ended September 30, 2012.



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**Item 11. Additional Information.**

The information set forth in the Offer and Circular and Letter of Transmittal is incorporated herein by reference.

**Item 12. Exhibits.**

- (a)(1)(i) Offer and Circular dated January 14, 2013.\*
- (a)(1)(ii) Letter of Transmittal.\*
- (a)(1)(iii) Notice of Guaranteed Delivery.\*
- (a)(1)(iv) Press Release dated January 14, 2013.\*\*
- (a)(1)(v) Newspaper Advertisement dated January 14, 2013.\*\*
- (a)(1)(vi) Annual Information Form, dated March 29, 2012, for the Year Ended December 31, 2011.\*\*
- (a)(1)(vii) Annual Audited Consolidated Financial Statements for the Year Ended December 31, 2011, including Consolidated Statements of Financial Position as at December 31, 2011, December 31, 2010 and January 1, 2010 and Consolidated Statements of Comprehensive Income and Changes in Equity and Cash Flows for the Years Ended December 31, 2011 and December 31, 2010 and Related Notes, together with the Auditors' Report thereon, contained therein.\*\*
- (a)(1)(viii) Management's Discussion and Analysis for the Annual Audited Consolidated Financial Statements for the Year Ended December 31, 2011.\*\*
- (a)(1)(ix) Unaudited Interim Consolidated Financial Statements for the Three and Nine Months Ended September 30, 2012, together with the Notes thereto.\*\*
- (a)(1)(x) Management's Discussion and Analysis for the Unaudited Interim Consolidated Financial Statements for the Three and Nine Months Ended September 30, 2012.\*\*
- (a)(1)(xi) Management Information Circular, dated April 26, 2012, in connection with the Annual Meeting of Shareholders Held on May 31, 2012.\*\*
- (d)(1)(i) Share Purchase Agreement, dated January 13, 2013, between Precious Metals and Minerals Fund, a Series of USAA Mutual Funds Trust and Alamos Gold Inc.\*
- (d)(1)(ii) Share Purchase Agreement, dated January 13, 2013, between Dynamic Precious Metals Fund and Dynamic Strategic Gold Class and Alamos Gold Inc.\*
- (d)(1)(iii) Share Purchase Agreement, dated January 11, 2013, between Van Eck Associates Corporation and Alamos Gold Inc.\*
- (d)(1)(iv) Share Purchase Agreement, dated January 10, 2013, between Montrusco Bolton Investments Inc. and Alamos Gold Inc.\*

**Item 13. Information Required by Schedule 13E-3.**

Not applicable.

\* Filed herewith.

\*\* Incorporated by reference from Alamos Gold Inc.'s Registration Statement on Form F-10 filed on January 14, 2013.

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## SIGNATURES

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

ALAMOS GOLD INC.

By: /s/ John A. McCluskey

Name: John A. McCluskey

Title: Chief Executive Officer

Dated: January 14, 2013

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## INDEX TO EXHIBITS

### Exhibit Number

(a)(1)(i)	Offer and Circular dated January 14, 2013.*
(a)(1)(ii)	Letter of Transmittal.*
(a)(1)(iii)	Notice of Guaranteed Delivery.*
(a)(1)(iv)	Press Release dated January 14, 2013.**
(a)(1)(v)	Newspaper Advertisement dated January 14, 2013.**
(a)(1)(vi)	Annual Information Form, dated March 29, 2012, for the Year Ended December 31, 2011.**
(a)(1)(vii)	Annual Audited Consolidated Financial Statements for the Year Ended December 31, 2011, including Consolidated Statements of Financial Position as at December 31, 2011, December 31, 2010 and January 1, 2010 and Consolidated Statements of Comprehensive Income and Changes in Equity and Cash Flows for the Years Ended December 31, 2011 and December 31, 2010 and Related Notes, together with the Auditors' Report thereon, contained therein.**
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\*\* Incorporated by reference from Alamos Gold Inc.' s Registration Statement on Form F-10 filed on January 14, 2013.

*This document is important and requires your immediate attention. If you are in any doubt as to how to deal with it, you should consult your investment advisor, stockbroker, bank manager, accountant, lawyer or other professional advisor.*

*This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Shareholders in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction. However, Alamos or its agents may, in Alamos' sole discretion, take such action as Alamos may deem necessary to make the Offer in any jurisdiction and extend the Offer to Shareholders in such jurisdiction.*

*The Offer has not been approved or disapproved by any securities regulatory authority, nor has any securities regulatory authority passed upon the fairness or merits of the Offer or upon the adequacy of the information contained in this document. Any representation to the contrary is an offence.*

*Information has been incorporated by reference in the Offer and Circular from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Vice-President, Legal of Alamos at Suite 2200, 130 Adelaide Street West, Toronto, Ontario M5H 3P5 and (telephone (416) 368-9932) and are also available electronically on SEDAR at [www.sedar.com](http://www.sedar.com).*

January 14, 2013



ALAMOS GOLD INC.

## ALAMOS GOLD INC. OFFER TO PURCHASE

all of the outstanding common shares of

**AURIZON MINES LTD.**

**for consideration per Common Share of, at the election of each holder,  
Cdn\$4.65 in cash (the "Cash Alternative") or  
0.2801 of an Alamos Share (the "Share Alternative"),  
subject, in each case, to pro-ration as set out herein**

Alamos Gold Inc. ("Alamos") hereby offers (the "Offer") to purchase, on the terms and subject to the conditions set out herein, all of the issued and outstanding common shares (the "Common Shares") of Aurizon Mines Ltd. ("Aurizon"), other than any Common Shares held directly or indirectly by Alamos and its affiliates, and including any Common Shares that may become issued and outstanding after the date hereof but before the Expiry Time (as defined herein) upon the exercise, exchange or conversion of any Convertible Securities (as defined herein).

Each holder of Common Shares (each, a "Shareholder" and, collectively, the "Shareholders") may elect to receive either the Cash Alternative or the Share Alternative in respect of all of the Shareholder's Common Shares deposited under the Offer. The total amount of cash available under the Offer is limited to \$305,000,000 and the total number of common shares of Alamos (the "Alamos Shares") available for issuance under the Offer is limited to 23,500,000 Alamos Shares. Assuming that all Shareholders tendered to either the Cash Alternative or the Share Alternative, each Shareholder would be entitled to receive \$2.04 in cash and 0.1572 of an Alamos Share for each Common Share tendered (based on 175,431,302 Common Shares issued and outstanding on a fully diluted basis), subject to adjustment for fractional shares.

See Section 1 of the Offer, “The Offer”. In light of the total amount of Alamos Shares available under the Offer relative to the size of the Offer, it is unlikely that Shareholders who elect the Share Alternative will receive only share consideration for their Common Shares.

As of the date hereof, Alamos holds 26,507,283 Common Shares, over 16% of the issued and outstanding Common Shares. See Section 11 of the Circular, “Holdings of Securities of Aurizon” and Section 12 of the Circular “Trading in Securities of Aurizon”.

**The Offer is open for acceptance until 5:00 p.m. (Toronto time) on Tuesday, February 19, 2013  
(the “Expiry Time”), unless extended or withdrawn.**

The Alamos Shares are listed on the Toronto Stock Exchange (the “TSX”) under the symbol “AGI” and the OTC Pink Marketplace (the “OTC”) in the United States under the symbol “AGIGF”. Alamos has applied to the TSX to list the Alamos Shares offered hereunder on the TSX and has applied to list all of the Alamos Shares (including the Alamos Shares offered hereunder) on the New York Stock Exchange (the “NYSE”) under the symbol “AGI”. The Common Shares are listed on the TSX under the symbol “ARZ” and on the NYSE MKT under the symbol “AZK”.

The Offer represents a premium of approximately 40% and 39% based on the respective closing prices of \$3.33 and US\$3.39 for the Common Shares on the TSX and the NYSE MKT on January 9, 2013. The Offer represents a premium of approximately 37% based on the volume-weighted average price of the Common Shares on the TSX and the NYSE MKT for the 20 trading days ended January 9, 2013.

*The Depositary and Information Agent  
for the Offer is:*

**KINGSDALE SHAREHOLDER SERVICES INC.**

*The Dealer Manager  
for the Offer is:*

**DUNDEE CAPITAL MARKETS**

The Offer is subject to certain conditions, including, among other things, there being validly deposited under the Offer and not withdrawn at the Expiry Time that number of Common Shares which, together with the Common Shares held by Alamos and its affiliates, represents not less than 66<sup>2</sup>/<sub>3</sub>% of the issued and outstanding Common Shares (calculated on a fully diluted basis). Subject to applicable laws, Alamos reserves the right to extend, withdraw or terminate the Offer and to not take up and pay for any Common Shares deposited under the Offer unless each of the conditions of the Offer is satisfied or waived at or prior to the Expiry Time. See Section 4 of the Offer, "Conditions of the Offer".

An investment in Alamos Shares is subject to certain risks. In assessing the Offer, Shareholders should carefully consider the risks described in Section 24 of the Circular, "Risk Factors Related to the Offer" and the risks described in Alamos' annual information form dated March 29, 2012 for the year ended December 31, 2011, which is incorporated by reference in the Offer and Circular (as defined herein).

**Persons whose Common Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should contact such nominee for assistance if they wish to accept the Offer in order to take the necessary steps to be able to deposit such Common Shares under the Offer. Intermediaries likely have established tendering cut-off times that are up to 48 hours prior to the Expiry Time. Shareholders must instruct their brokers or other intermediaries promptly if they wish to tender.**

Registered Shareholders who wish to accept the Offer must properly complete and execute the accompanying Letter of Transmittal (printed on **YELLOW** paper), or a manually executed facsimile thereof, and deposit it, at or prior to the Expiry Time, together with certificate(s) or Direct Registration System (DRS) Advices representing their Common Shares and all other required documents, with Kingsdale Shareholder Services Inc. (the "**Depositary and Information Agent**") at its office in Toronto, Ontario specified in the Letter of Transmittal, in accordance with the instructions set out in the Letter of Transmittal (as set out in Section 3 of the Offer, "Manner of Acceptance – Letter of Transmittal"). Alternatively, registered Shareholders may accept the Offer by (i) following the procedures for book-entry transfer of Common Shares set out in Section 3 of the Offer, "Manner of Acceptance – Acceptance by Book-Entry Transfer", or (ii) following the procedure for guaranteed delivery set out in Section 3 of the Offer, "Manner of Acceptance – Procedure for Guaranteed Delivery", using the accompanying Notice of Guaranteed Delivery (printed on **GREEN** paper), or a manually executed facsimile thereof. Shareholders who hold their Common Shares with a bank, broker or other financial intermediary will not receive a Letter of Transmittal or Notice of Guaranteed Delivery, and should follow the instructions set out by such intermediary to tender their Common Shares.

**Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Common Shares directly with the Depositary and Information Agent or if they make use of the services of a Soliciting Dealer (as defined herein) to accept the Offer.**

The cash payments to Shareholders will be denominated in Canadian dollars. However, Shareholders can also elect to receive payment of the cash to which they are entitled under the Offer in U.S. dollars by checking Box 2, Choice A of the Letter of Transmittal, in which case each such Shareholder will have acknowledged and agreed that the exchange rate for one Canadian dollar expressed in U.S. dollars will be based on the exchange rate available to the Depositary and Information Agent at its typical banking institution on the date the funds are converted. A Shareholder electing to receive payment of the cash to which it is entitled under the Offer made in U.S. dollars will have further acknowledged and agreed that any change to the currency exchange rates of the United States or Canada will be at the sole risk of such Shareholder.

Questions and requests for assistance may be directed to the Depositary and Information Agent, Kingsdale Shareholder Services Inc., who can be contacted at 1-866-851-3214 toll free in North America or at 416-867-2272 outside of North America or by e-mail at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com); or Dundee Capital Markets (the "**Dealer Manager**") and additional copies of this

document, the Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained, without charge, upon request from the Depositary and Information Agent or the Dealer Manager at their respective offices shown on the last page of this document, and are accessible on the Canadian Securities Administrators' website at [www.sedar.com](http://www.sedar.com). This website address is provided for informational purposes only and no information contained on, or accessible from, this website is incorporated by reference herein unless otherwise provided.

The information contained in this document speaks only as of the date of this document. Alamos does not undertake to update any such information except as required by applicable Law. Information in the Offer and Circular related to Aurizon has been compiled from public sources.

No broker, dealer, salesperson or other person has been authorized to give any information or make any representation other than those contained in this document, and, if given or made, such information or representation must not be relied upon as having been authorized by Alamos, the Depositary and Information Agent or the Dealer Manager.

## NOTICE TO SHAREHOLDERS OUTSIDE CANADA

The Offer is subject to Section 14(d) of the U.S. Exchange Act, Regulation 14D promulgated by the SEC thereunder, Section 14(e) of the U.S. Exchange Act and Regulation 14E promulgated by the SEC thereunder. The offering of Alamos Shares pursuant to the Offer, however, is made by a Canadian issuer that is permitted, under a multi-jurisdictional disclosure system adopted by the United States, to prepare the Offer and Circular in accordance with the disclosure requirements of Canada. The Offer is subject to applicable disclosure requirements in Canada. Shareholders should be aware that such requirements are different from those of the United States and may differ from those in other jurisdictions. Financial statements included or incorporated by reference herein have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and are subject to Canadian auditing standards and auditor independence rules, and thus may not be comparable to financial statements of United States companies or companies incorporated in other jurisdictions.

Shareholders in the United States should be aware that the disposition of Common Shares by them as described herein may have tax consequences in the United States, Canada and other jurisdictions. Such consequences may not be fully described herein and such holders are urged to consult their tax advisors. See Section 19 of the Circular, "Principal Canadian Federal Income Tax Considerations" and Section 20 of the Circular, "U.S. Federal Income Tax Considerations".

The enforcement by Shareholders of civil liabilities under U.S. federal or state securities laws or applicable laws in other jurisdictions may be affected adversely by the fact that Alamos is governed by the laws of Canada, that some of its officers and directors are residents of jurisdictions other than the United States, that the Dealer Manager and some of the experts named in the Circular are Canadian residents and that all or a substantial portion of the assets of Alamos and such persons may be located outside the United States or such other jurisdictions. The enforcement by Shareholders of civil liabilities under the securities laws of the United States or applicable laws in other jurisdictions may also be affected adversely by the fact that some of Aurizon's officers and directors are resident outside the United States or such other jurisdictions and that all or a substantial portion of the assets of Aurizon and Aurizon's officers and directors may be located outside the United States or such other jurisdictions. It may be difficult to compel Alamos or any of the aforementioned persons to subject itself to the judgment of a court in the United States or any such other jurisdiction.

**THE ALAMOS SHARES AND THE OFFER HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE OFFER AND CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.**

Alamos has filed with the United States Securities and Exchange Commission (the "SEC") a Registration Statement on Form F-10 (the "**Registration Statement**"), a Tender Offer Statement on Schedule TO (the "**Tender Offer Statement**") and other documents and information, and expects to mail the Offer and Circular to Shareholders. SHAREHOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT, THE TENDER OFFER STATEMENT AND THE OFFER AND CIRCULAR AND ANY OTHER RELEVANT DOCUMENTS TO BE FILED WITH THE SEC, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Investors and Shareholders will be able to obtain the documents free of charge at the SEC's website, [www.sec.gov](http://www.sec.gov). In addition, documents filed with the SEC by Alamos will be available free of charge from Alamos. You should direct requests for documents to the Vice-President, Legal of Alamos at Suite 2200, 130 Adelaide Street West, Toronto, Ontario M5H 3P5, telephone (416) 368-9932. To obtain timely delivery, such documents should be requested not later than February 11, 2013, five business days before the Expiry Date.

This document does not generally address the income tax consequences of the Offer to Shareholders in any jurisdiction outside Canada or the United States. Shareholders in a jurisdiction outside Canada or the United States should be aware that the disposition of Common Shares may have tax consequences which may not be described herein. Accordingly, Shareholders outside Canada and the United States should consult their own tax advisors with respect to tax considerations applicable to them.

The Offer does not constitute an offer to sell or a solicitation of an offer to buy any securities in any state in the United States or any other jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made or directed to, nor is this document being mailed to, nor will deposits of Common Shares be accepted from or on behalf of, Shareholders in any state in the United States or any other jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such state or other jurisdiction. Alamos or its agents may, in its or their sole discretion, take such action as it or they may deem desirable to extend the Offer to Shareholders in any such state or other jurisdiction. Notwithstanding the foregoing, Alamos or its agents may elect not to complete such action in any given instance. Accordingly, Alamos cannot at this time assure Shareholders that otherwise valid tenders can or will be accepted from holders resident in all states in the United States and all other jurisdictions.

Unless otherwise indicated, all resource and reserve estimates included or incorporated by reference into the Offer and Circular have been prepared in accordance with National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”) and the Canadian Institute of Mining, Metallurgy and Petroleum (the “**CIM**”) - *CIM Definition Standards on Mineral Resources and Mineral Reserves*, adopted by the CIM Council, as amended. NI 43-101 is a rule developed by the Canadian Securities

Administrators, which established standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. The terms “mineral reserve”, “proven mineral reserve” and “probable mineral reserve” are Canadian mining terms as defined in accordance with NI 43-101 and the CIM standards. These definitions differ from the definitions in SEC Industry Guide 7 (“**SEC Industry Guide 7**”) under the U.S. Securities Act and the U.S. Exchange Act. Under SEC Industry Guide 7 standards, a “final” or “bankable” feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

In addition, the terms “mineral resource”, “measured mineral resource”, “indicated mineral resource” and “inferred mineral resource” are defined in and required to be disclosed by NI 43-101 and the CIM standards; however, these terms are not defined terms under SEC Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that all or any part of mineral deposits in these categories will ever be converted into reserves. “Inferred mineral resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre- feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of “contained ounces” in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute “reserves” by SEC standards as in place tonnage and grade without reference to unit measures. See Section 24 of the Circular, “Risk Factors Related to the Offer – There are differences in U.S. and Canadian practices for reporting mineral reserves and resources”.

These standards differ significantly from the requirements of the SEC, and mineral reserve and mineral resource information contained or incorporated by reference herein may not be comparable to similar information disclosed by United States companies.

#### **NOTICE TO HOLDERS OF CONVERTIBLE SECURITIES**

The Offer is made only for Common Shares and is not made for any options or any other rights to acquire Common Shares (collectively, “**Convertible Securities**”). Any holder of Convertible Securities who wishes to accept the Offer should, subject to and to the extent permitted by the terms of such Convertible Securities and applicable Law, exercise, exchange or convert such Convertible Securities in order to obtain certificates representing Common Shares and deposit such Common Shares in accordance with the Offer. See Section 1 of the Offer, “The Offer”. Any such exercise, exchange or conversion must be completed sufficiently in advance of the Expiry Time to ensure that the holder of such Convertible Securities will have received certificates representing the Common Shares issuable upon such exercise, exchange or conversion in time for deposit prior to the Expiry Time, or in sufficient time to comply with the procedures described in Section 3 of the Offer, “Manner of Acceptance – Procedure for Guaranteed Delivery”.

**The tax consequences to holders of Convertible Securities of exercising or not exercising such securities are not described in the Offer and Circular. Holders of such Convertible Securities should consult their own tax advisors with respect to the potential income tax consequences to them in connection with the decision to exercise or not exercise such securities.**

#### **REPORTING CURRENCY AND CURRENCY EXCHANGE RATE INFORMATION**

Unless otherwise indicated, all references to “\$”, “Cdn\$” or “dollars” in the Offer and Circular are to Canadian dollars.

The following table sets forth the high and low exchange rates for one U.S. dollar expressed in Canadian dollars for each period indicated, the average of the exchange rate for each period indicated and the exchange rate at the end of such period, based upon the noon buying rates provided by the Bank of Canada:

##### Year Ended December 31

<u>2012</u>	<u>2011</u>	<u>2010</u>
-------------	-------------	-------------



High	1.0418	1.0604	1.0778
Low	0.9710	0.9449	0.9946
Rate at end of period	0.9949	1.0170	0.9946
Average rate for period	0.9996	0.9891	1.0299

The Bank of Canada noon rate of exchange on January 9, 2013 for Canadian dollars was US\$1.00 = Cdn\$0.9868.

## NOTICE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in the Summary, the Offer and Circular, including under Section 3 of the Circular, “Background to the Offer”; Section 4 of the Circular, “Reasons to Accept the Offer”; Section 5 of the Circular, “Purpose of the Offer and Alamos’ Plans for Aurizon”; Section 15 of the Circular, “Acquisition of Common Shares Not Deposited Under the Offer”; and Section 18 of the Circular, “Effect of the Offer on the Market for and Listing of Common Shares and Status as a Reporting Issuer”, in addition to certain statements contained elsewhere in the Offer and Circular or incorporated by reference herein, are forward-looking statements, including within the meaning of the U.S. Exchange Act. All statements other than statements of historical fact included in the Offer and Circular or incorporated by reference herein, including, without limitation, statements regarding forecast gold production, gold grades, recoveries, waste-to-ore ratios, total cash costs, potential mineralization and reserves, exploration results, and future plans and objectives of Alamos, are forward-looking statements that involve various risks and uncertainties. These forward-looking statements include, but are not limited to, statements with respect to mining and processing of mined ore, achieving projected recovery rates, anticipated production rates and mine life, operating efficiencies, costs and expenditures, changes in mineral resources and conversion of mineral resources to proven and probable reserves, and other information that is based on forecasts of future operational or financial results, estimates of amounts not yet determinable and assumptions of management.

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. A mineral resource that is classified as “inferred” or “indicated” has a great amount of uncertainty as to its existence and economic and legal feasibility. It cannot be assumed that any or 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 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 that could cause actual events or results to differ from those reflected in the forward-looking statements.

There can be no assurance that forward-looking statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Alamos’ expectations include risks related to the Offer, fluctuations in the value of the consideration; integration issues; the effect of the Offer on the market price of Alamos Shares; the exercise of dissent rights in connection with a Compulsory Acquisition or Subsequent Acquisition Transaction; the liquidity of the Common Shares; risks associated with Aurizon becoming a subsidiary of Alamos; differences in Shareholder interests; the reliability of the information regarding Aurizon; change of control provisions; risks associated with obtaining governmental and regulatory approvals; failure to maintain effective internal controls; the liquidity of Alamos Shares on the NYSE; the effect of the Offer on non-Canadian Shareholders; and risks related to the on-going business of Alamos, including risks related to international operations; the actual results of current exploration activities; conclusions of economic evaluations and changes in project parameters as plans continue to be refined as well as future prices of gold and silver, as well as those risk factors described in Section 24 of the Circular, “Risk Factors Related to the Offer” and in the section entitled “Risk Factors” that is included in Alamos’ annual information form dated March 29, 2012 incorporated by reference herein. Although Alamos has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

## NOTICE REGARDING AURIZON INFORMATION

Except as otherwise indicated herein, the information concerning Aurizon contained in the Offer and Circular has been taken from or is based upon publicly available information filed with Canadian securities regulators and other public sources available as at January 11, 2013. Aurizon has not reviewed the Offer and Circular and has not confirmed the accuracy and completeness of the information in respect of Aurizon contained herein. Neither Alamos, nor any person acting jointly or in concert with Alamos, nor any of the directors or officers of Alamos or such persons, assumes any responsibility for the accuracy or completeness of such information or any failure by Aurizon to disclose events or facts which may have occurred or which may affect the significance or accuracy of any such information but which are unknown to Alamos or such persons. Except as otherwise indicated herein, Alamos has no means of verifying the accuracy or completeness of any of the information contained herein that is derived from publicly available information regarding Aurizon or whether there has been any failure by Aurizon to disclose events or facts that may have occurred or may affect the significance or accuracy of any such information.

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## SUMMARY TERM SHEET

*The following sets forth material information with respect to the Offer. The questions and answers below are not meant to be a substitute for the more detailed description and information contained in the Offer and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery. You are urged to read the entire Offer and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery carefully prior to making any decision regarding whether or not to tender your Common Shares. We have included cross-references in this section to other sections of the Offer and Circular where you will find more complete descriptions of the topics mentioned below. Unless otherwise defined herein, capitalized terms have the meanings given to them in the Glossary.*

### **Who is offering to buy my Common Shares?**

Alamos, a corporation existing under the Laws of the Province of British Columbia, is a Canadian-based gold producer that owns and operates the Mulatos Mine in Mexico, and has exploration and development activities in Mexico and Turkey. The Alamos Shares are listed and trade on the TSX under the symbol "AGI" and are quoted on the OTC under the symbol "AGIGF". Alamos' head office is located at Suite 2200, 130 Adelaide Street West, Toronto, Ontario M5H 3P5 and its registered and records office is located at Suite 3350, Four Bentall Centre, 1055 Dunsmuir Street, P.O. Box 49222, Vancouver, British Columbia V7X 1L2.

See Section 1 of the Circular, "Alamos".

### **What is Alamos proposing?**

Alamos is offering to purchase all of the issued and outstanding Common Shares not currently held by Alamos and its affiliates, subject to the terms and conditions set forth in the Offer and Circular.

See Section 1 of the Offer, "The Offer" and Section 4 of the Offer, "Conditions of the Offer".

### **What would I receive in exchange for my Common Shares?**

For each Common Share you hold, Alamos is offering:

- (a) \$4.65 in cash under the Cash Alternative; or
- (b) 0.2801 of an Alamos Share under the Share Alternative,

in each case as elected by you in the applicable Letter of Transmittal or Notice of Guaranteed Delivery, and subject to pro-rata as more fully described in Section 1 of the Offer, "The Offer".

The total amount of cash available under the Offer is limited to \$305,000,000 and the total number of Alamos Shares available for issuance under the Offer is limited to 23,500,000 Alamos Shares. Assuming that all Shareholders tendered to either the Cash Alternative or the Share Alternative, each Shareholder would be entitled to receive \$2.04 in cash and 0.1572 of an Alamos Share for each Common Share tendered (based on 175,431,302 Common Shares issued and outstanding on a fully diluted basis), subject to adjustment for fractional shares. For greater certainty, unless a Shareholder receives only cash consideration or only share consideration for all Common Shares tendered by the Shareholder, in all circumstances a Shareholder will receive a proportionate amount of cash and Alamos Shares as consideration for the Common Shares tendered by such Shareholder under the Offer. Applicable U.S. securities laws do not permit Alamos to have more than one Take-Up Date as a result of pro rating the consideration offered under the Offer. Alamos currently intends to seek such relief as may be available to permit it to take up Common Shares on more than one Take-Up Date; although, there can be no assurances that Alamos will be granted such relief.

Shareholders can also elect to receive payment of the cash to which they are entitled under the Offer in U.S. dollars based on the exchange rate available to the Depositary and Information Agent at its typical banking institution on the date the funds are converted.

See Section 1 of the Offer, "The Offer".





### **What are some of the significant conditions to the Offer?**

The Offer is subject to several conditions, some of the most important of which are as follows:

There being validly deposited under the Offer and not withdrawn at the Expiry Time, such number of Common Shares which, together with Common Shares directly or indirectly held by Alamos and its affiliates, constitutes at least 66<sup>2</sup>/<sub>3</sub>% of the total issued and outstanding Common Shares (calculated on a fully diluted basis);

Alamos having obtained all requisite approvals, including under the Competition Act, the HSR Act and requisite stock exchanges, and the applicable waiting period having expired or been terminated; and

Alamos having determined that there does not exist and there has not occurred, a Material Adverse Change.

The Offer is not subject to any financing condition.

See Section 4 of the Offer, “Conditions of the Offer”, for additional conditions of the Offer.

### **Why is Alamos making the Offer?**

Alamos is making the Offer because it wants to acquire control of, and ultimately the entire equity interest in, Aurizon. If Alamos completes the Offer but does not then own 100% of the Common Shares, Alamos currently intends to acquire any Common Shares not deposited under the Offer in a second-step transaction. This transaction will take the form of a Compulsory Acquisition or a Subsequent Acquisition Transaction.

See Section 3 of the Circular, “Background to the Offer”, and Section 15 of the Circular, “Acquisition of Common Shares Not Deposited Under the Offer”.

### **Why should Shareholders accept Alamos’ offer to buy Aurizon?**

Alamos believes that the Offer will deliver superior value to Shareholders because:

Alamos is offering a significant premium to the market price for the Common Shares at the time Alamos’ intention to make an offer was announced;

the transaction will immediately create a new leading intermediate gold mining company with increased diversification, scale and liquidity;

Alamos offers the Shareholders the benefits of both the project development and operation expertise of the Alamos management team with a solid track record and proven experience in the gold industry as well as access to pro forma combined estimated cash and cash equivalents and short-term investments of approximately US\$209.7 million with which to advance projects without any near-term dilution;

Alamos’ balance sheet and operating cash flow will be available to support the strong growth profile of the combined company without an expectation of a need for any equity capital raisings; and

Shareholders who tender to the Offer for Alamos Shares will gain exposure to the world-class projects of Alamos including the producing Mulatos Mine in Mexico, one of the world’s most profitable gold mines, the advanced-stage Ağı Dağı and Kirazlı projects in Turkey and other earlier-stage exploration properties in both Mexico and Turkey, any future increases in value associated with the continued exploration and development of Aurizon’s portfolio of assets, as well as production at Aurizon’s flagship Casa Berardi Gold Mine.

See Section 4 of the Circular, “Reasons to Accept the Offer”.

### **What securities are being sought in the Offer?**

Alamos is offering to purchase all of the issued and outstanding Common Shares. Based on publicly available information, Alamos believes that, as of December 18, 2012, there were 175,431,302 Common Shares issued and outstanding (on a fully diluted basis). The Offer includes Common Shares that may become outstanding after the date of the Offer, but prior to the Expiry Time, upon the exercise of any Convertible Securities. The Offer is not being made for any Convertible Securities or other rights to acquire Common Shares.

See Section 1 of the Offer, “The Offer”.

#### **How will Convertible Securities be treated in the Offer?**

The Offer being is made only for outstanding Common Shares and not for any Convertible Securities. Any holder of such securities who wishes to accept the Offer must, to the extent permitted by the terms thereof and applicable Law, fully exercise, exchange or convert such securities sufficiently in advance of the Expiry Time of the Offer in order to obtain Common Shares that may be deposited in accordance with the terms of the Offer.

If Alamos takes up and pays for Common Shares tendered under the Offer and not validly withdrawn, it currently intends to implement a Compulsory Acquisition, a Subsequent Acquisition Transaction, or take such other action as may be available to Alamos. In the event that Alamos implements a Subsequent Acquisition Transaction, it may be structured in such a manner that the holders of Convertible Securities will, pursuant to the terms thereof, receive Alamos Shares upon the proper exercise or conversion of the Convertible Securities. The number of Alamos Shares to be issued and the exercise price therefor will reflect the exchange ratio used in the Offer. Alternatively, Alamos may take any other actions available to it to cause the exercise or termination of any remaining Convertible Securities.

#### **Will fractional shares be issued in the Offer?**

No. Alamos will not issue fractional Alamos Shares. Instead, where a Shareholder is to receive Alamos Shares as consideration under the Offer and the aggregate number of Alamos Shares to be issued to such Shareholder would result in a fraction of an Alamos Share being issuable, the number of Alamos Shares to be received by such Shareholder will be rounded down to the nearest whole Alamos Share and the amount of cash to be received by such Shareholder will correspondingly be rounded down to the nearest whole cent.

#### **How many Alamos Shares could be issued pursuant to the Offer?**

Alamos expects to issue approximately 23,500,000 Alamos Shares under the Offer based on the number of Common Shares issued and outstanding on a fully diluted basis as of January 9, 2013, as publicly disclosed by Aurizon and assuming that all of the Common Shares issued and outstanding as at January 9, 2013 (other than Common Shares held by Alamos or its affiliates) are acquired upon completion of the Offer and any Compulsory Acquisition or Subsequent Acquisition Transaction, and assuming that all of the holders of in-the-money options of Aurizon elect to exercise their options in advance of the successful completion of the Offer.

See Section 1 of the Offer, “The Offer”.

#### **Will my ownership and voting rights as a shareholder of Alamos be the same as my ownership and voting rights as a shareholder of Aurizon?**

As noted above, Alamos expects to issue approximately 23,500,000 Alamos Shares in connection with the Offer, which would result in there being a total of approximately 150,955,788 Alamos Shares issued and outstanding (based on the number of Alamos Shares issued and outstanding as at January 9, 2013), with Shareholders holding approximately 15.6% of the Alamos Shares on an issued basis. Each Common Share carries the right to one vote at meetings of Shareholders. Each Alamos Share carries the right to one vote at meetings of Alamos shareholders.

See Section 9 of the Circular, “Certain Information Concerning Alamos - Authorized and Outstanding Share Capital” and Section 25 of the Circular, “Risk Factors Related to the Offer”.

#### **How long do I have to decide whether to tender to the Offer?**

The Offer is open for acceptance until 5:00 p.m. (Toronto time) on February 19, 2013, or until such other time and date as is set out in a notice of variation of the Offer as Alamos determines, issued at any time and from time to time at its discretion.

See Section 2 of the Offer, "Time for Acceptance".

### III

### **Can the Expiry Time for the Offer be extended?**

Yes. Alamos may, in its sole discretion, elect to extend the Expiry Time for the Offer from the time referenced in the answer to the previous question. Under certain circumstances, Alamos may be required to extend the Expiry Time for the Offer under applicable Canadian and U.S. securities laws. If Alamos elects or is required to extend the Expiry Time for the Offer, it will publicly announce the variation and, if required by applicable Law, Alamos will mail you a copy of the notice of variation.

See Section 5 of the Offer, “Extension, Variation or Change to the Offer”.

Alamos may also elect and reserve the right to provide a Subsequent Offering Period for the Offer. A Subsequent Offering Period, if one is provided, will be an additional period of time of no less than 10 days beginning after Alamos has accepted for purchase all Common Shares previously tendered during the Offer, during which period Shareholders may tender their Common Shares. There would be no condition to the Offer to purchase these tendered Common Shares. See “Time for Acceptance” in Section 2 of the Offer. Alamos will permit withdrawal of Common Shares tendered during a Subsequent Offering Period, if there is one, until such time as they are taken up.

See Section 8 of the Offer, “Withdrawal of Deposited Common Shares”.

### **How do I tender my Common Shares?**

If you hold Common Shares in your own name, you may accept the Offer by depositing certificates representing your Common Shares, together with a duly completed and signed Letter of Transmittal and all other documents required by the instructions to the Letter of Transmittal, at the office of the Depositary and Information Agent specified in the Letter of Transmittal. If your Common Shares are registered in the name of a nominee (commonly referred to as “in street name” or “street form”), you should contact your broker, investment dealer, bank, trust company or other nominee for assistance in tendering your Common Shares to the Offer. You should request your nominee to effect the transaction.

Shareholders may also accept the Offer pursuant to the procedures for book-entry transfer detailed in the Offer and Circular and have your Common Shares tendered by your nominee through CDS or DTC, as applicable. Shareholders are invited to contact the Depositary and Information Agent for further information regarding how to accept the Offer. The Depositary and Information Agent can be contacted at 1-866-851-3214 toll free in North America or at 416-867-2272 outside of North America or by e-mail at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).

See Section 3 of the Offer, “Manner of Acceptance”.

### **What if I have lost my Common Share certificate(s) but wish to tender my Common Shares to the Offer?**

You should complete your Letter of Transmittal as fully as possible and state in writing the circumstances surrounding the loss and forward the documents to the Depositary and Information Agent. The Depositary and Information Agent will forward a copy to the transfer agent for the Common Shares and such transfer agent will advise you of the replacement requirements, which must be completed and returned before the Expiry Time.

See Section 3 of the Offer, “Manner of Acceptance”.

### **Will I be able to trade the Alamos Shares I receive?**

You will be able to trade the Alamos Shares that you will receive under the Offer. Statutory exemptions allow such trading in Canada and upon the Registration Statement becoming effective in the United States, non- “affiliates” (as defined in Rule 144 under the U.S. Securities Act) of Alamos will be able to trade their Alamos Shares received under the Offer in the United States. Alamos has applied to list the Alamos Shares offered to Shareholders pursuant to the Offer on the TSX and all of the Alamos Shares (including the Alamos Shares offered hereunder) on the NYSE.

### **If I accept the Offer, when will I receive the consideration for my Common Shares?**

If the conditions of the Offer are satisfied or waived, and if Alamos consummates the Offer and takes up your Common Shares, you will receive the consideration for the Common Shares tendered to the Offer, based on whether you elected the Cash Alternative or the Share Alternative (subject to pro ration), promptly after the Expiry Time.

#### IV

See Section 6 of the Offer, "Take-Up and Payment for Deposited Common Shares".

### **Who is the Depositary and Information Agent under the Offer?**

Kingsdale Shareholder Services Inc. is acting as Depositary and Information Agent under the Offer. The Depositary and Information Agent will be responsible for receiving certificates representing Common Shares and accompanying Letters of Transmittal and other documents. The Depositary and Information Agent is also responsible for receiving Notices of Guaranteed Delivery, giving notices, if required, and making payment for all Common Shares purchased by Alamos under the terms of the Offer. The Depositary and Information Agent will also facilitate book-entry tenders of Common Shares. Kingsdale Shareholder Services Inc. can be contacted at 1-866-851-3214 toll free in North America or at 416-867-2272 outside of North America or by e-mail at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).

See Section 27 of the Circular, "Depositary and Information Agent".

### **Will I be able to withdraw previously tendered Common Shares?**

Yes. You may withdraw Common Shares previously tendered by you at any time (i) before Common Shares deposited under the Offer are taken up by Alamos under the Offer (including during any Subsequent Offering Period), (ii) if your Common Shares have not been paid for by Alamos within three business days after having been taken up, and (iii) in certain other circumstances.

See Section 8 of the Offer, "Withdrawal of Deposited Common Shares".

### **How do I withdraw previously tendered Common Shares?**

You must send a notice of withdrawal to the Depositary and Information Agent prior to the occurrence of certain events and within the time periods set forth in Section 8 of the Offer, "Withdrawal of Deposited Common Shares", and the notice must contain specific information outlined therein.

See Section 8 of the Offer, "Withdrawal of Deposited Common Shares".

### **Will I have to pay any fees or commissions?**

If you are the registered owner of your Common Shares and you tender your Common Shares directly to the Depositary and Information Agent, you will not have to pay brokerage fees or incur similar expenses. If you own your Common Shares through a broker or other nominee and your broker tenders the Common Shares on your behalf, your broker or nominee may charge you a fee for doing so. You should consult your broker or nominee to determine whether any charges will apply.

### **What will happen if the Offer is withdrawn?**

Unless all of the conditions to the Offer have been satisfied or waived at or prior to the Expiry Time, Alamos will not be obligated to take up and purchase Common Shares tendered to the Offer and Alamos may withdraw the Offer. If the Offer is withdrawn in this manner, all of your Common Shares that were deposited and not withdrawn will be returned to you with no payment.

### **How will a Shareholder be treated for Canadian federal income tax purposes?**

A Shareholder who is a resident of Canada, who holds Common Shares as capital property and who sells such shares pursuant to the Offer will realize a capital gain (or capital loss) to the extent that the proceeds of disposition of such shares exceed (or are less than) the total of the adjusted cost base to the Shareholder of such shares and any reasonable costs of disposition. However, a Shareholder who is an Eligible Holder and who elects (or is deemed to elect) the Share Alternative or elects the Cash Alternative but the prorating provisions of the Offer apply may, depending on the circumstances, obtain a full or partial tax-deferred "rollover" by making a joint election with Alamos in prescribed form pursuant to subsection 85(1) or, where the Shareholder is a partnership,

subsection 85(2) of the Tax Act (and the corresponding provisions of any applicable provincial legislation). A Shareholder who elects the Share Alternative may in certain circumstances obtain an automatic tax-deferred “rollover”.



A Shareholder who is not a resident of Canada generally will not be subject to tax under the Tax Act on any capital gain realized on a disposition of such Shareholder's Common Shares to the Offer unless such Common Shares are "taxable Canadian property" and are not "treaty-protected property" of such Shareholder.

The foregoing is a brief summary of Canadian federal income tax consequences only and is qualified by the description of Canadian federal income tax considerations in Section 19 of the Circular, "Principal Canadian Federal Income Tax Considerations". Shareholders are urged to consult their own tax advisors to determine the particular tax consequences to them of a sale of Common Shares pursuant to the Offer or a disposition of Common Shares pursuant to any Compulsory Acquisition or Subsequent Acquisition Transaction.

#### **How will U.S. Holders of Common Shares be treated for U.S. federal income tax purposes?**

Unless Aurizon amalgamates with a subsidiary of Alamos and certain other requirements are met, the disposition of Common Shares pursuant to the Offer for Alamos Shares and/or cash generally will be a taxable transaction for U.S. federal income tax purposes, and a U.S. Holder will recognize gain or loss on such disposition of Common Shares in an amount equal to the difference between (i) the sum of the fair market value of the Alamos Shares and cash received (both determined in U.S. dollars) and (ii) such U.S. Holder's adjusted tax basis in the Common Shares surrendered. If Aurizon amalgamates with a subsidiary of Alamos and certain other requirements are met, then, although there is limited authority and thus substantial uncertainty, the disposition of Common Shares pursuant to the Offer should qualify as an exchange pursuant to a tax-deferred reorganization under Section 368(a) of the Code, in which event a U.S. Holder would only recognize gain to the extent of cash (determined in U.S. dollars) received but would not recognize any loss. In addition, the specific U.S. federal income tax consequences to a U.S. Holder will depend on whether Aurizon has been a PFIC during a U.S. Holder's holding period for its Common Shares.

The foregoing summary is qualified in its entirety by the more detailed information under Section 20 of the Circular, "U.S. Federal Income Tax Considerations". Each U.S. Holder should consult an independent tax advisor regarding the U.S. federal income tax consequences of a disposition of Common Shares pursuant to the Offer.

#### **Is Alamos' financial condition relevant to my decision to tender my Common Shares to the Offer?**

Yes. Alamos Shares will be issued to Shareholders who validly tender their Common Shares, so you should consider Alamos' financial condition before you decide to tender your Common Shares to the Offer. In considering Alamos' financial condition, you should review the documents included and incorporated by reference in the Offer and Circular because they contain detailed business, financial and other information about Alamos.

See Section 1 of the Circular, "Alamos".

#### **If I decide not to tender, how will my Common Shares be affected?**

If Alamos takes up and pays for the Common Shares validly tendered under the Offer, Alamos currently intends to take such action as is necessary, including effecting a Compulsory Acquisition or a Subsequent Acquisition Transaction, to acquire any Common Shares not tendered. It is Alamos' current intention that the consideration to be offered for Common Shares under such Compulsory Acquisition or Subsequent Acquisition Transaction will be the same consideration offered pursuant to the Offer. In connection with such a transaction, you may have dissent rights. However, Alamos reserves the right not to complete a Compulsory Acquisition or a Subsequent Acquisition Transaction.

See Section 15 of the Circular, "Acquisition of Common Shares Not Deposited Under the Offer".

#### **Will Aurizon continue as a public company?**

If, as a result of the Offer and any subsequent transaction, the number of Shareholders is sufficiently reduced, Aurizon may become eligible to cease to be a reporting issuer in Canada and/or the United States. To the extent permitted by applicable Law, Alamos intends to delist the Common Shares from the TSX and the NYSE MKT and, where applicable, to cause Aurizon to cease to

be a public company in Canada and the United States. The rules and regulations of the TSX and NYSE MKT could also, upon the consummation of the Offer and/or a subsequent transaction, lead to the delisting of the Common Shares from such exchanges.

See Section 5 of the Circular, “Purpose of the Offer and Alamos’ Plans for Aurizon”.

### **What is the market value of my Common Shares?**

On January 9, 2013, the closing price of the Common Shares listed on the TSX and NYSE MKT was \$3.33 and US\$3.39, respectively. The volume-weighted average price of the Common Shares on the TSX and NYSE MKT for the 20 trading days ended January 9, 2013 was \$3.40 and US\$3.45, respectively. Based on the closing prices of the Alamos Shares on the TSX on January 9, 2013, the Offer represented a premium of approximately 40% over the closing prices of the Common Shares on the TSX on the same date. Based on the volume-weighted average price of the Alamos Shares on the TSX and NYSE MKT for the 20 trading days ended January 9, 2013, the Offer represented a premium of approximately 37% over the volume-weighted average price of the Common Shares on the TSX and NYSE MKT for the same period.

Alamos urges you to obtain recent quotations for the Common Shares and Alamos Shares before deciding whether or not to tender your Common Shares to the Offer.

See Section 18 of the Circular, “Effect of the Offer on the Market for and Listing of Common Shares and Status as a Reporting Issuer”.

### **If the Offer is successful will the board of directors and management of Aurizon change?**

If the Offer is successful, it is anticipated that the current management of Alamos will manage Aurizon in place of Aurizon’s current management, and that the board of directors of Aurizon will be replaced by nominees of Alamos.

See Section 5 of the Circular, “Purpose of the Offer and Alamos’ Plans for Aurizon”.

### **Who can I call with questions about the Offer or for more information?**

You can call our Depositary and Information Agent, Kingsdale Shareholder Services Inc., if you have questions or requests for additional copies of the Offer and Circular. Questions and requests should be directed to the following telephone numbers:

### **The Depositary and Information Agent for the Offers is:**



#### **By Registered Mail**

The Exchange Tower  
130 King Street West, Suite 2950,  
P.O. Box 361  
Toronto, Ontario  
M5X 1E2

#### **By Hand or by Courier**

The Exchange Tower  
130 King Street West, Suite 2950,  
Toronto, Ontario  
M5X 1E2

### **North American Toll Free Phone:**

# **1-866-851-3214**

E-mail: [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com)  
Facsimile: 416-867-2271  
Toll Free Facsimile: 1-866-545-5580  
Outside North America, Banks and Brokers Call Collect: 416-867-2272



## VIII

## SUMMARY

*The following is a summary only and is qualified in its entirety by the detailed provisions contained in the Offer and Circular. You should read the Offer and Circular in their entirety. Certain capitalized and other terms used in this summary, where not otherwise defined herein, are defined in the Glossary. All currency amounts expressed herein, unless otherwise indicated, are in Canadian dollars.*

*Except as otherwise indicated herein, the information concerning Aurizon contained in the Offer and Circular has been taken from or is based upon publicly available information filed with Canadian securities regulators and other public sources available as at January 11, 2013. Aurizon has not reviewed the Offer and Circular and has not confirmed the accuracy and completeness of the information in respect of Aurizon contained herein. Neither Alamos, nor any person acting jointly or in concert with Alamos, nor any of the directors or officers of Alamos or such persons, assumes any responsibility for the accuracy or completeness of such information or any failure by Aurizon to disclose events or facts which may have occurred or which may affect the significance or accuracy of any such information but which are unknown to Alamos or such persons. Except as otherwise indicated herein, Alamos has no means of verifying the accuracy or completeness of any of the information contained herein that is derived from publicly available information regarding Aurizon or whether there has been any failure by Aurizon to disclose events or facts that may have occurred or may affect the significance or accuracy of any such information.*

### The Offer

Alamos is offering to purchase, on the terms and subject to the conditions of the Offer, all of the issued and outstanding Common Shares, other than any Common Shares held directly or indirectly by Alamos and its affiliates, and including, for greater certainty, any Common Shares that may become issued and outstanding upon the exercise, exchange or conversion of Convertible Securities after the date hereof but prior to the Expiry Time, for consideration per Common Share of, at the election of the Shareholder:

- (a) \$4.65 in cash for each Common Share; or
- (b) 0.2801 of an Alamos Share for each Common Share,

subject, in each case, to pro-rata as set forth herein. The Offer is made only for Common Shares, and is not made for any other securities.

Assuming that all Shareholders tendered their Common Shares to either the Cash Alternative or the Share Alternative, each Shareholder would be entitled to receive \$2.04 in cash and 0.1572 of an Alamos Share for each Common Share tendered (based on 175,431,302 Common Shares issued and outstanding on a fully diluted basis), subject to adjustment for fractional shares, as described herein. For greater certainty, unless a Shareholder receives only cash consideration or only share consideration for all Common Shares tendered by the Shareholder, in all circumstances a Shareholder will receive a proportionate amount of cash and Alamos Shares as consideration for the Common Shares tendered by such Shareholder under the Offer. Applicable U.S. securities laws do not permit Alamos to have more than one Take-Up Date as a result of pro rating the consideration offered under the Offer. Alamos currently intends to seek such relief as may be available to permit it to take up Common Shares on more than one Take-Up Date; although, there can be no assurances that Alamos will be granted such relief.

The cash payments to Shareholders will be denominated in Canadian dollars. However, Shareholders can also elect to receive payment of the cash to which they are entitled under the Offer in U.S. dollars by checking Box 2, Choice A of the Letter of Transmittal, in which case each such Shareholder will have acknowledged and agreed that the exchange rate for one Canadian dollar expressed in U.S. dollars will be based on the exchange rate available to the Depositary and Information Agent at its typical banking institution on the date the funds are converted. A Shareholder electing to receive payment of the cash to which it is entitled under the Offer made in U.S. dollars will have further acknowledged and agreed that any change to the currency exchange rates of the United States or Canada will be at the sole risk of such Shareholder. The Depositary and Information Agent may receive a fee from its banking institution for referring foreign exchange transactions to it.

See Section 1 of the Offer, “The Offer”.

The obligation of Alamos to take up and pay for Common Shares pursuant to the Offer is subject to certain conditions. See Section 4 of the Offer, “Conditions of the Offer”.

## Time for Acceptance

The Offer is open for acceptance during the period commencing on the date hereof and ending at 5:00 p.m. (Toronto time) on Tuesday, February 19, 2013, or such later time or times and date or dates to which the Offer may be extended from time to time by Alamos, in accordance with Section 5 of the Offer, "Extension, Variation or Change of the Offer", unless the Offer is withdrawn by Alamos. Any decision to extend the Offer, including for how long, will be made prior to the Expiry Time. See Section 2 of the Offer, "Time for Acceptance".

## Alamos

Alamos is a gold mining and exploration company engaged in exploration, mine development, and the mining and extraction of precious metals, primarily gold. Alamos' operating asset is the Mulatos Mine which was acquired in February 2003, and is located within the 30,536-hectare Salamandra Concessions in the state of Sonora, Mexico. In January 2010, Alamos acquired the development-stage Ağı Dağı and Kirazlı Projects in the Biga district of northwestern Turkey. In 2011, Alamos discovered the Çamyurt project, located approximately three kilometers from the Ağı Dağı Project, which Alamos believes has the potential to become a stand-alone mining project. Alamos is a public corporation that is listed on the TSX under the symbol "AGI" and has a quoted market value of approximately \$2.0 billion as of the close of trading on January 9, 2013. Alamos has applied to list the Alamos Shares on the NYSE under the symbol "AGI". Alamos is also quoted on the OTC under the symbol "AGIGF". Alamos expects that the Alamos Shares will cease being quoted on the OTC upon its listing on the NYSE.

Since the start of operations at the Mulatos Mine in Mexico in 2006, Alamos has focused on continued operating improvements and conducting exploration programs to increase reserves and resources. In 2012, the Mulatos Mine produced 200,000 ounces of gold. This represents the fifth consecutive year in which the Mulatos Mine has produced in excess of 150,000 ounces of gold. In the fiscal year ended December 31, 2012, Alamos generated revenues of \$329.4 million, compared to \$227.4 million in 2011. As at December 31, 2012, Alamos had in excess of \$350 million in cash and cash equivalents and short-term investments. As of the date hereof, Alamos owns 26,507,283 Common Shares. See Section 1 of the Circular, "Alamos".

## Aurizon

Aurizon is a Canadian-based gold producer with operations and development activities in the Abitibi region of northwestern Québec. Since 1988, Aurizon has been involved in the acquisition, exploration, development and operation of a number of gold properties in North America. Aurizon owns 100% of the producing Casa Berardi Gold Mine and also owns a 100% interest in the Joanna Gold development project, a development-stage gold property on which a feasibility study has been commissioned for the Hosco deposit. In addition, Aurizon has staked mineral claims, and/or entered into agreements with junior exploration companies to acquire interests in several early stage exploration projects. Aurizon is a public corporation that is listed on the TSX under the symbol "ARZ" and on the NYSE MKT under the symbol "AZK" and has a quoted market value on the TSX and the NYSE MKT of approximately \$548 million and US\$558 million, respectively, as of the close of trading on January 9, 2013.

Aurizon's productions from the Casa Berardi Gold Mine in 2011, 2010 and 2009 were 163,845 ounces, 141,116 ounces and 159,261 ounces, respectively. Aurizon's principal product is gold, with gold sales currently accounting for all of Aurizon's revenues. See Section 2 of the Circular, "Aurizon".

## Reasons to Accept the Offer

Shareholders should consider the following factors in making a decision to accept the Offer:

**Significant Premium.** Based on the closing price of \$16.60 per Alamos Share on the TSX on January 9, 2013, the consideration offered under the Offer has a value of \$4.65 per Common Share, representing a premium of approximately 40% and 39%, respectively, over the closing price of \$3.33 and US\$3.39 per Common Share on the TSX and NYSE MKT on January 9, 2013. Based on the volume-weighted average price of Alamos Shares on the TSX for the 20 trading days ended January 9, 2013, the Offer represents a premium of approximately 37% over the volume-weighted average price of the Common Shares on the TSX and NYSE MKT for the same period.



**Creation of a Leading Intermediate Gold Company.** The combination of Alamos and Aurizon will immediately create a new leading intermediate gold mining company with increased diversification, scale and liquidity. The combined entity is anticipated to have an estimated market capitalization of approximately US\$2.6 billion, with enhanced visibility among the international investor community as well as continued exposure

to the North American capital markets through listings on both the TSX and the NYSE. The combined company, with two steady producing, low cost mines located in stable jurisdictions, will be strongly positioned for growth.

**Established, Well-funded, Shareholder Focused Team in Place.** Alamos offers Shareholders the benefits of both the project development and operation expertise of the Alamos management team as well as access to pro forma combined estimated cash and cash equivalents and short-term investments of approximately US\$209.7 million with which to advance projects without any near-term dilution. Alamos will continue to be guided by a board of directors and management team with extensive project development, acquisition, operation and other relevant industry experience necessary to advance projects from the exploration stage through production and to create shareholder value by doing so.

**Financial Capability to Secure Future of Aurizon's Assets.** Alamos's balance sheet and operating cash flow will be available to support the strong growth profile of the combined company without an expectation of a need for any equity capital raisings. Alamos will remain unhedged and debt-free. Alamos is also well placed to take advantage of the exploration potential of the combined entity to unlock the upside potential for all shareholders. The Offer provides a much needed growth profile for Shareholders. Alamos expects to continue its strong dividend policy.

**Exposure to Other Attractive Mineral Projects.** Shareholders who tender to the Offer will gain exposure to the world-class projects of Alamos, including the producing Mulatos Mine in Mexico, one of the world's most profitable gold mines. Alamos also owns a 100% interest in the advanced-stage gold projects - the Ağı Dağı Project and the Kirazlı Project - in Turkey and has other earlier-stage exploration properties in both Mexico and Turkey. The significant production profile of the combined companies will allow Shareholders who receive Alamos Shares to increase their exposure to the strong gold price environment over the short to mid-term.

**Management Track Record in Developing World-Class Gold Projects.** Alamos has a management team with a solid track record and proven experience in the gold industry. The Alamos management team has demonstrated its ability, via the Mulatos Mine in Mexico, to identify, explore, finance, construct, commission and operate a world-class gold mine. It is also applying this experience to the development of Ağı Dağı Project and the Kirazlı Project in Turkey, which remain on track and on budget.

**Opportunity for Continued Participation in Aurizon's Assets.** To the extent that Shareholders receive Alamos Shares as part of their consideration under the Offer, they will benefit from any future increases in value associated with the continued exploration and development of Aurizon's portfolio of assets, as well as production at Aurizon's flagship Casa Berardi Gold Mine.

**Opportunity to Elect Consideration.** The Offer provides Shareholders with the opportunity to determine the consideration that they receive under the Offer, either the Cash Alternative or the Share Alternative, subject in each case to pro-rata. The Cash Alternative permits Shareholders to elect to receive up to 100% in cash consideration (subject to pro-rata) in exchange for their Common Shares to lock in the premium offered under the terms of the Offer, while the Share Alternative permits Shareholders to elect to receive up to 100% in Alamos Shares (subject to pro-rata) in exchange for their Common Shares and thereby maintain maximum exposure to the significant upside potential of the combined Alamos and Aurizon company going forward.

**Opportunity to Defer Canadian Taxation on Capital Gains.** To the extent that Shareholders receive Alamos Shares as consideration under the Offer, certain Shareholders will be entitled, depending on the circumstances, to a full or partial deferral of Canadian taxation on capital gains.

See Section 4 of the Circular, "Reasons to Accept the Offer".

#### **Purpose of the Offer and Alamos' Plans for Aurizon**

The purpose of the Offer is to enable Alamos to acquire, on the terms and subject to the conditions of the Offer, all of the issued and outstanding Common Shares (other than Common Shares held directly or indirectly by Alamos and its affiliates, and which includes Common Shares which may become outstanding on the exercise, exchange or conversion of Convertible Securities prior to the Expiry Time).

If the conditions of the Offer are satisfied or waived and Alamos takes up and pays for the Common Shares validly deposited under the Offer and not properly withdrawn, Alamos intends to acquire any Common Shares not deposited under the Offer through a Compulsory Acquisition, if available, or to propose a Subsequent Acquisition Transaction, in each case for consideration per Common Share at least equal in value to and in the same form as the consideration paid by Alamos per Common Share under the Offer. The exact timing and details of any such transaction will depend upon a number of factors, including the number of Common Shares acquired pursuant to the Offer. Although Alamos intends to propose either a Compulsory Acquisition or a Subsequent Acquisition Transaction generally on the terms described herein, it is possible that, as a result of delays in Alamos' ability to effect such a transaction, information subsequently obtained by Alamos, changes in general economic or market conditions or in the business of Aurizon or other currently unforeseen circumstances, such a transaction may not be proposed, may be delayed or abandoned or may be proposed on different terms. Accordingly, Alamos reserves the right not to propose a Compulsory Acquisition or a Subsequent Acquisition Transaction, or to propose a Subsequent Acquisition Transaction on terms other than as described in the Circular. See Section 15 of the Circular, "Acquisition of Common Shares Not Deposited Under the Offer".

If the Offer is successful, it is anticipated that the current management of Alamos will manage Aurizon in place of Aurizon's current management, and that the board of directors of Aurizon will be replaced by nominees of Alamos. With the exception of the foregoing, Alamos has not developed any specific proposals with respect to Aurizon or its operations, or any changes in its assets, business strategies, management or personnel following the acquisition of the Common Shares pursuant to the Offer. Alamos believes there is strong cultural and professional compatibility between Aurizon's and Alamos' respective employees and it is Alamos' intention to integrate both teams following its acquisition of Aurizon.

If permitted by applicable Law, subsequent to the completion of the Offer and a Compulsory Acquisition or any Subsequent Acquisition Transaction, if necessary, Alamos intends to delist the Common Shares from the TSX and the NYSE MKT and to cause Aurizon to cease to be a reporting issuer under the securities laws of each of the provinces and territories of Canada in which it has such status and cease to be registered under the U.S. Exchange Act. See Section 18 of the Circular, "Effect of the Offer on the Market for and Listing of Common Shares and Status as a Reporting Issuer".

See Section 5 of the Circular, "Purpose of the Offer and Alamos' Plans for Aurizon" and Section 18 of the Circular, "Effect of the Offer on the Market Price for and Listing of Common Shares and Status as a Reporting Issuer".

### **Manner of Acceptance**

A Shareholder who wishes to accept the Offer must properly complete and execute the accompanying Letter of Transmittal (printed on **YELLOW** paper) and deposit it, at or prior to the Expiry Time, together with certificate(s) representing their Common Shares and all other required documents, with the Depositary and Information Agent at its offices in Toronto, Ontario specified in the Letter of Transmittal in accordance with the instructions in the Letter of Transmittal. See Section 3 of the Offer, "Manner of Acceptance – Letter of Transmittal".

The cash payments to Shareholders will be denominated in Canadian dollars. However, Shareholders can also elect to receive payment of the cash to which they are entitled under the Offer in U.S. dollars by checking the box set out in Box 2, Choice A of the Letter of Transmittal, in which case each such Shareholder will have acknowledged and agreed that the exchange rate for one Canadian dollar expressed in U.S. dollars will be based on the exchange rate available to the Depositary and Information Agent at its typical banking institution on the date the funds are converted. A Shareholder electing to receive payment of the cash to which it is entitled under the Offer made in U.S. dollars will have further acknowledged and agreed that any change to the currency exchange rates of the United States or Canada will be at the sole risk of such Shareholder. The Depositary and Information Agent may receive a fee from its banking institution for referring foreign exchange transactions to it.

If a Shareholder wishes to accept the Offer and deposit its Common Shares under the Offer and the certificate(s) representing such Shareholder's Common Shares is (are) not immediately available, or if the certificate(s) and all other required documents cannot be provided to the Depositary and Information Agent at or prior to the Expiry Time, such Common Shares nevertheless may be validly deposited under the Offer in compliance with the procedures for guaranteed delivery using the accompanying Notice of Guaranteed Delivery (printed on



**GREEN** paper), or a manually executed facsimile thereof, in accordance with the instructions in the Notice of Guaranteed Delivery. See Section 3 of the Offer, “Manner of Acceptance – Procedure for Guaranteed Delivery”.

Shareholders may accept the Offer by following the procedures for book-entry transfer established by CDS, provided that a Book-Entry Confirmation through CDSX is received by the Depositary and Information Agent at its offices in Toronto, Ontario specified in the Letter of Transmittal at or prior to the Expiry Time. Shareholders may also accept the Offer by following the procedure for book-entry transfer established by DTC, provided that a Book-Entry Confirmation, together with an Agent’s Message in respect thereof, or a Letter of Transmittal, properly completed and executed in accordance with the instructions therein, with the signatures guaranteed, if required, and all other required documents, are received by the Depositary and Information Agent at its offices in Toronto, Ontario specified in the Letter of Transmittal at or prior to the Expiry Time. Shareholders accepting the Offer through book-entry transfer must make sure such documents or Agent’s Message are received by the Depositary and Information Agent at or prior to the Expiry Time. See Section 3 of the Offer, “Manner of Acceptance – Acceptance by Book-Entry Transfer”.

**Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Common Shares directly with the Depositary and Information Agent or if they make use of the services of a Soliciting Dealer to accept the Offer.**

**Persons whose Common Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should contact such nominee for assistance if they wish to accept the Offer in order to take the necessary steps to be able to deposit such Common Shares under the Offer. Intermediaries likely have established tendering cut-off times that are up to 48 hours prior to the Expiry Time. Shareholders must instruct their brokers or other intermediaries promptly if they wish to tender.**

Shareholders should contact the Depositary and Information Agent, the Dealer Manager, a Soliciting Dealer or a broker or dealer for assistance in accepting the Offer and depositing Common Shares with the Depositary and Information Agent. The Depositary and Information Agent, can be contacted at 1-866-851-3214 toll free in North America or at 416-867-2272 outside of North America or by e-mail at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).

### **Conditions of the Offer**

Alamos reserves the right to withdraw or terminate the Offer and not take up and pay for any Common Shares deposited under the Offer, or to extend the period of time during which the Offer is open for acceptance and postpone taking up and paying for any Common Shares deposited under the Offer, unless all of the conditions described in Section 4 of the Offer, “Conditions of the Offer”, are satisfied or waived by Alamos on or prior to the Expiry Time. These conditions include, among others, (i) there having been deposited under the Offer and not properly withdrawn at the Expiry Time such number of Common Shares which, together with the Common Shares held by Alamos and its affiliates, represents not less than 66<sup>2</sup>/<sub>3</sub>% of the issued and outstanding Common Shares (calculated on a fully diluted basis), (ii) receipt of all governmental or regulatory approvals required to complete the Offer, including any necessary or desirable competition or anti-trust approvals and the expiry of any such applicable waiting periods, and (iii) the absence of any Material Adverse Change in relation to Aurizon. For a complete description of the conditions of the Offer, see Section 4 of the Offer, “Conditions of the Offer”.

### **Take-Up and Payment for Deposited Common Shares**

If all the conditions of the Offer described in Section 4 of the Offer, “Conditions of the Offer”, have been satisfied or waived by Alamos at or prior to the Expiry Time, Alamos will take up Common Shares validly deposited under the Offer and not properly withdrawn promptly following the Expiry Time but in no event later than 10 days after the Expiry Time of the Offer and will pay for Common Shares taken up as soon as practicable thereafter, but in any event not later than three business days after taking up the deposited Common Shares. In accordance with applicable Law, Alamos will take up and pay for Common Shares in any Subsequent Offering Period within 10 days after such deposit. Applicable U.S. securities laws do not permit Alamos to have more than one Take-Up Date as a result of pro rating the consideration offered under the Offer. Alamos currently intends to seek such relief

as may be available to permit it to take up Common Shares on more than one Take-Up Date; although, there can be no assurances that Alamos will be granted such relief. See Section 6 of the Offer, “Take-Up of and Payment for Deposited Common Shares”.

**Withdrawal of Deposited Common Shares**

Common Shares deposited under the Offer may be withdrawn by or on behalf of the depositing Shareholder at any time before the Common Shares have been taken up by Alamos under the Offer (including during any Subsequent Offering Period) and in the other circumstances described in Section 8 of the Offer,

“Withdrawal of Deposited Common Shares”. Except as so indicated or as otherwise required or permitted by applicable Laws, deposits of Common Shares are irrevocable.

#### **Acquisition of Common Shares Not Deposited Under the Offer**

If, within four months after the date of the Offer, the Offer has been accepted by Shareholders who, in the aggregate, hold not less than 90% of the issued and outstanding Common Shares in respect of which the Offer was made as at the Expiry Time, other than Common Shares held at the date of the Offer by, or by a nominee for, Alamos or its affiliates, and Alamos acquires or is bound to take up and pay for such deposited Common Shares under the Offer, Alamos intends, to the extent possible, to acquire those Common Shares which remain outstanding held by those persons who did not accept the Offer pursuant to a Compulsory Acquisition. If the right of Compulsory Acquisition is not available for any reason, or if Alamos elects not to pursue such right, Alamos may pursue other means of acquiring, directly or indirectly, all of the Common Shares and other securities exercisable for or convertible or exchangeable into Common Shares in accordance with applicable Law, including by means of a Subsequent Acquisition Transaction. The detailed terms of any Subsequent Acquisition Transaction, including the timing of its implementation and the consideration to be received by Shareholders, would necessarily be subject to a number of considerations, including the number of Common Shares acquired pursuant to the Offer. See Section 15 of the Circular, “Acquisition of Common Shares Not Deposited Under the Offer”.

Shareholders who do not deposit their Common Shares under the Offer will not be entitled to any right of dissent or appraisal. However, Shareholders who do not deposit their Common Shares under the Offer may have certain rights of dissent in the event Alamos acquires such Common Shares by way of a Compulsory Acquisition or Subsequent Acquisition Transaction, including the right to seek judicial determination of the fair value of their Common Shares. See Section 15 of the Circular, “Acquisition of Common Shares Not Deposited Under the Offer”.

#### **Principal Canadian Federal Income Tax Considerations**

A Shareholder who is a resident of Canada, who holds Common Shares as capital property and who sells such shares pursuant to the Offer will realize a capital gain (or capital loss) to the extent that the proceeds of disposition of such shares exceed (or are less than) the total of the adjusted cost base to the Shareholder of such shares and any reasonable costs of disposition. However, a Shareholder who is an Eligible Holder and who elects (or is deemed to elect) the Share Alternative or elects the Cash Alternative but the prorating provisions of the Offer apply may, depending on the circumstances, obtain a full or partial tax-deferred “rollover” by making a joint election with Alamos in prescribed form pursuant to subsection 85(1) or, where the Shareholder is a partnership, subsection 85(2) of the Tax Act (and the corresponding provisions of any applicable provincial legislation). A Shareholder who elects the Share Alternative may in certain circumstances obtain an automatic tax-deferred “rollover”.

A Shareholder who is not a resident of Canada generally will not be subject to tax under the Tax Act on any capital gain realized on a disposition of such Shareholder’s Common Shares to the Offer unless such Common Shares are “taxable Canadian property” and are not “treaty-protected property” of such Shareholder.

**The foregoing is a brief summary of Canadian federal income tax consequences only and is qualified by the description of Canadian federal income tax considerations in Section 19 of the Circular, “Principal Canadian Federal Income Tax Considerations”. Shareholders are urged to consult their own tax advisors to determine the particular tax consequences to them of a sale of Common Shares pursuant to the Offer or a disposition of Common Shares pursuant to any Compulsory Acquisition or Subsequent Acquisition Transaction.**

#### **United States Federal Income Tax Considerations**

Unless Aurizon amalgamates with a subsidiary of Alamos and certain other requirements are met, the disposition of Common Shares pursuant to the Offer for Alamos Shares and/or cash generally will be a taxable transaction for U.S. federal income tax purposes, and a U.S. Holder will recognize gain or loss on such disposition of Common Shares in an amount equal to the difference between (i) the sum of the fair market value of the Alamos Shares and cash received (both determined in U.S. dollars) and (ii) such U.S. Holder’s adjusted tax basis in the Common Shares surrendered. If Aurizon amalgamates with a subsidiary of Alamos



and certain other requirements are met, then, although there is limited authority and thus substantial uncertainty, the disposition of Common Shares pursuant to the Offer should qualify as an exchange pursuant to a tax-deferred reorganization under Section 368(a) of the Code, in which event a U.S. Holder would only recognize gain to the extent of cash (determined in U.S.

dollars) received but would not recognize any loss. In addition, the specific U.S. federal income tax consequences to a U.S. Holder will depend on whether Aurizon has been a PFIC during a U.S. Holder's holding period for its Common Shares.

**The foregoing is a very brief summary of certain United States federal income tax consequences of the Offer and is qualified in its entirety by Section 20 of the Circular, "U.S. Federal Income Tax Considerations", which provides a discussion of the material U.S. federal income tax considerations generally applicable to U.S. Holders. Shareholders are urged to consult their own tax advisors to determine the particular tax consequences to them of a sale or exchange of Common Shares pursuant to the Offer.**

### **Risk Factors**

An investment in Alamos Shares and the acquisition of Aurizon are subject to certain risks. In assessing the Offer, Shareholders should carefully consider the risks described in Section 24 of the Circular, "Risk Factors Related to the Offer" and the risks described in Alamos' annual information form dated March 29, 2012 for the year ended December 31, 2011, which is incorporated by reference in the Offer and Circular.

### **Depositary and Information Agent**

Alamos has engaged Kingsdale to act as the Depositary and Information Agent to receive deposits of certificates representing Common Shares and accompanying Letters of Transmittal deposited under the Offer at its offices in Toronto, Ontario specified in the Letter of Transmittal and to provide information to Shareholders in connection with the Offer. In addition, Kingsdale will receive Notices of Guaranteed Delivery at its offices in Toronto, Ontario specified in the Notice of Guaranteed Delivery. Kingsdale will also be responsible for giving certain notices, if required, and for making payment for all Common Shares purchased by Alamos under the Offer. Kingsdale will also facilitate book-entry transfers of Common Shares. See Section 3 of the Offer, "Manner of Acceptance", and Section 27 of the Circular, "Depositary and Information Agent".

Kingsdale will receive reasonable and customary compensation from Alamos for its services in connection with the Offer and will be reimbursed for certain out-of-pocket expenses.

Questions and requests for assistance may be directed to the Depositary and Information Agent for the Offer, Kingsdale Shareholder Services Inc., at 1-866-851-3214 toll free in North America or at 416-867-2272 outside of North America or by e-mail at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).

### **Financial Advisor and Soliciting Dealer Group**

Alamos has retained Dundee Capital Markets Inc. to act as its financial advisor in connection with the Offer and to serve as the Dealer Manager for the Offer in Canada and the United States. The Dealer Manager may form a soliciting dealer group comprised of members of The Investment Dealers Association of Canada and members of Canadian stock exchanges to solicit acceptances of the Offer from persons resident in Canada. Depositing Shareholders will not be obligated to pay any fee or commission if they accept the Offer by using the services of the Dealer Manager or a Soliciting Dealer.

Please send any solicitation fees requests to the Depositary and Information Agent no later than 30 business days after the Expiry Time. The Depositary and Information Agent can be contacted at 1-866-851-3214 toll free in North America or at 416-867-2272 outside of North America or by e-mail at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).

**No fee or commission will be payable by any Shareholder who transmits such Shareholder's Common Shares directly to the Depositary and Information Agent or who makes use of the services of a Soliciting Dealer to accept the Offer.**

See Section 26 of the Circular, "Financial Advisor, Dealer Manager and Soliciting Dealer Group".

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## OFFER

*The accompanying Circular, which is incorporated into and forms part of the Offer, contains important information that should be read carefully before making a decision with respect to the Offer. Capitalized terms used in the Offer but not otherwise defined herein are defined in the accompanying Glossary. All currency amounts expressed herein, unless otherwise indicated, are expressed in Canadian dollars.*

January 14, 2013

**TO: THE HOLDERS OF COMMON SHARES OF AURIZON MINES LTD.**

### **1. The Offer**

Alamos is offering to purchase, on the terms and subject to the conditions of the Offer, all of the issued and outstanding Common Shares, other than any Common Shares held directly or indirectly by Alamos and its affiliates, and including, for greater certainty, any Common Shares that may become issued and outstanding upon the exercise, exchange or conversion of Convertible Securities after the date hereof but prior to the Expiry Time, for consideration per Common Share of, at the election of the Shareholder:

- (a) \$4.65 in cash for each Common Share (the “**Cash Alternative**”); or
- (b) 0.2801 of an Alamos Share for each Common Share (the “**Share Alternative**”),

subject, in each case, to pro-rata as set forth below.

Assuming that all Shareholders tendered their Common Shares to either the Cash Alternative or the Share Alternative, each Shareholder would be entitled to receive \$2.04 in cash and 0.1572 of an Alamos Share for each Common Share tendered (based on 175,431,302 Common Shares issued and outstanding on a fully diluted basis), subject to adjustment for fractional shares, as described herein. In light of the total amount of cash available under the Offer relative to the size of the Offer, it is unlikely that Shareholders who elect to receive the Cash Alternative will receive only cash consideration for their Common Shares. Applicable U.S. securities laws do not permit Alamos to have more than one Take-Up Date as a result of pro rating the consideration offered under the Offer. Alamos currently intends to seek such relief as may be available to permit it to take up Common Shares on more than one Take-Up Date; although, there can be no assurances that Alamos will be granted such relief.

**Any Shareholder who fails to complete the Letter of Transmittal and Notice of Guaranteed Delivery, if applicable, accompanying this Offer and Circular, electing the Cash Alternative or who does not properly elect either the Cash Alternative or the Share Alternative in the Letter of Transmittal and Notice of Guaranteed Delivery, if applicable, with respect to any Common Shares deposited by such Shareholder pursuant to the Offer will be deemed to have elected the Share Alternative.**

Based on the closing price of \$16.60 per Alamos Share on the TSX on January 9, 2013, the Offer has a value of \$4.65 per Common Share, representing a premium of approximately 40% over the closing price of \$3.33 per Common Share on the TSX on January 9, 2013.

The maximum amount of cash payable by Alamos pursuant to the Offer shall not exceed \$305,000,000 and the maximum number of Alamos Shares issuable by Alamos pursuant to the Offer shall not exceed 23,500,000. The consideration payable under the Offer will be prorated on each Take-Up Date as necessary to ensure that the total aggregate consideration payable under the Offer and in any Compulsory Acquisition or Subsequent Acquisition Transaction does not exceed these maximum aggregate amounts and will be based on the number of Common

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Shares acquired in proportion to the number of Common Shares to which the Offer relates. The actual consideration to be received by a Shareholder will be determined in accordance with the following:

- (a) the aggregate amount of cash that Alamos will pay as consideration for Common Shares acquired in respect of the Cash Alternative and the Share Alternative on any Take-Up Date shall not exceed the Maximum Take-Up Date Cash Consideration;
- (b) the aggregate number of Alamos Shares that Alamos will issue as consideration for Common Shares acquired in respect of the Cash Alternative and the Share Alternative on any Take-Up Date shall not exceed the Maximum Take-Up Date Share Consideration;
- (c) if, on any Take-Up Date, the aggregate cash consideration that would otherwise be payable by Alamos to Shareholders who elect to receive cash under the Cash Alternative in respect of their Common Shares to be taken up on such Take-Up Date exceeds the Maximum Take-Up Date Cash Consideration, the amount of cash consideration available to those Shareholders who have so elected the Cash Alternative will be allocated pro-rata (on a per share basis) among such Shareholders in an amount equal to the aggregate amount of the cash sought by each such Shareholder who so elected the Cash Alternative multiplied by a fraction, the numerator of which is the Maximum Take-Up Date Cash Consideration and the denominator of which is the aggregate amount of the cash consideration sought by those Shareholders who elected the Cash Alternative in respect of their Common Shares to be taken up on such Take-Up Date, and each such Shareholder will receive Alamos Shares, rounded down to the nearest whole number, as consideration for any balance which exceeds the amount of cash so allocated to the Shareholder (calculated by valuing each Alamos Share at \$16.60); and
- (d) if, on any Take-Up Date, the number of Alamos Shares that would otherwise be issuable to Shareholders who elect (or are deemed to elect) the Share Alternative in respect of their Common Shares to be taken up on such Take-Up Date exceeds the Maximum Take-Up Date Share Consideration, the number of Alamos Shares available to those Shareholders who have so elected (or are deemed to have elected) the Share Alternative will be allocated pro-rata (on a per share basis) among such Shareholders in an amount equal to the aggregate number of Alamos Shares sought by each such Shareholder who so elected (or is deemed to have elected) the Share Alternative in respect of its Common Shares to be taken up on such Take-Up Date multiplied by a fraction, the numerator of which is the Maximum Take-Up Date Share Consideration and the denominator of which is the aggregate number of Alamos Shares sought by those Shareholders who elected (or are deemed to have elected) the Share Alternative in respect of their Common Shares to be taken up on such Take-Up Date, rounded down to the nearest whole number, and each such Shareholder will receive cash as consideration for any balance which exceeds the number of Alamos Shares allocated to the Shareholder (calculated by valuing each Alamos Share at \$16.60).

For greater certainty, unless a Shareholder receives only cash consideration or only share consideration for all Common Shares tendered by the Shareholder, in all circumstances, including those described in paragraphs (c) and (d) above, a Shareholder will be deemed to have received a proportionate amount of cash and Alamos Shares as consideration for the Common Shares tendered by such Shareholder under the Offer.

Alamos and its affiliates currently own or control an aggregate of approximately 16% of the issued and outstanding Common Shares.

No fractional Alamos Shares will be issued pursuant to the Offer. Where a Shareholder is to receive Alamos Shares as consideration under the Offer and the aggregate number of Alamos Shares to be issued to such Shareholder would result in a fraction of an Alamos Share being issuable, the number of Alamos Shares to be received by such Shareholder will be rounded down to the nearest whole Alamos Share and the amount of cash to be received by such Shareholder will correspondingly be rounded down to the nearest whole cent. As a result of such rounding and such payments, it is possible that the actual number of Alamos Shares issued or the actual amount of cash paid in consideration for Common Shares, in the aggregate, may exceed the Maximum Share Consideration or Maximum Cash Consideration, respectively.

**Shareholders who are Eligible Holders and who wish to make the necessary joint tax election(s) with Alamos to obtain a full or partial tax-deferred exchange for Canadian federal income tax purposes must elect**

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**the Rollover Option in the Letter of Transmittal. See Section 19 of the Circular, “Principal Canadian Federal Income Tax Considerations”.**

The Offer is being made only for Common Shares, and is not being made for any other securities. Any holder of Convertible Securities who wishes to accept the Offer should, subject to and to the extent permitted by the terms of such securities and applicable Laws, exercise, exchange or convert such Convertible Securities in order to acquire Common Shares and then deposit those Common Shares on a timely basis in accordance with the terms of the Offer. Any such exercise, exchange or conversion must be completed sufficiently in advance of the Expiry Time to ensure that the holder of such Convertible Securities will have received share certificates representing the Common Shares issuable upon such exercise, exchange or conversion in time for deposit prior to the Expiry Time, or in sufficient time to comply with the procedures referred to under Section 3 of the Offer, “Manner of Acceptance – Procedure for Guaranteed Delivery”.

**All cash amounts payable under the Offer will be paid in Canadian dollars.** However, Shareholders can also elect to receive payment of the cash to which they are entitled under the Offer in U.S. dollars by advising their broker or checking Box 2, Choice A of the Letter of Transmittal, in which case each such Shareholder will have acknowledged and agreed that the exchange rate for one Canadian dollar expressed in U.S. dollars will be based on the exchange rate available to the Depositary and Information Agent at its typical banking institution on the date the funds are converted. A Shareholder electing to receive payment of the cash to which it is entitled under the Offer made in U.S. dollars will have further acknowledged and agreed that any change to the currency exchange rates of the United States or Canada will be at the sole risk of such Shareholder.

The obligation of Alamos to take up and pay for Common Shares pursuant to the Offer is subject to certain conditions. See Section 4 of the Offer, “Conditions of the Offer”.

Shareholders who do not deposit their Common Shares under the Offer will not be entitled to any dissent or appraisal rights in connection with the Offer. However, Shareholders who do not deposit their Common Shares under the Offer may have certain rights of dissent or appraisal in the event Alamos acquires such Common Shares by way of a Compulsory Acquisition or Subsequent Acquisition Transaction, including the right to seek judicial determination of the fair value of their Common Shares. See Section 15 of the Circular “Acquisition of Common Shares Not Deposited Under the Offer”.

Shareholders should contact the Depositary and Information Agent, the Dealer Manager, a Soliciting Dealer or a broker or dealer for assistance in accepting the Offer and in depositing their Common Shares with the Depositary and Information Agent. The Depositary and Information Agent can be contacted at 1-866-851-3214 toll free in North America or at 416-867-2272 outside of North America or by e-mail at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).

Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Common Shares directly with the Depositary and Information Agent or if they make use of the services of a Soliciting Dealer to accept the Offer.

**Persons whose Common Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should contact such nominee for assistance if they wish to accept the Offer in order to take the necessary steps to be able to deposit such Common Shares under the Offer. Intermediaries likely have established tendering cut-off times that are up to 48 hours prior to the Expiry Time. Shareholders must instruct their brokers or other intermediaries promptly if they wish to tender.**

## **2. Time for Acceptance**

The Offer is open for acceptance during the period commencing on the date hereof and ending at 5:00 p.m. (Toronto time) on Tuesday, February 19, 2013, or such later time or times and date or dates to which the Offer may be extended from time to time by Alamos, in accordance with Section 5 of the Offer, “Extension, Variation or Change of the Offer”, unless the Offer is withdrawn by Alamos. Any decision to extend the Offer, including for how long, will be made prior to the Expiry Time. The Expiry Time may be subject to multiple extensions.

Alamos may provide a subsequent offering period (a “**Subsequent Offering Period**”). A Subsequent Offering Period, if one is provided, will be an additional period of no less than 10 days, beginning immediately after Alamos accepts for payment (subject to the requirement to promptly pay for) all the Common Shares tendered to the Offer, during which period Shareholders may tender their Common Shares, provided that, among other requirements, Alamos announces the results of the initial offering period of the Offer, including the approximate number and percentage of Common Shares deposited under the Offer, no later than 9:00 a.m. (Toronto time) on the next business day following the date upon which Alamos becomes entitled to take up Common Shares under

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applicable Laws. Rule 14d-11(e) under the U.S. Exchange Act requires that during any Subsequent Offering Period the bidder immediately accepts for payment all securities as they are tendered. Alamos intends to request relief from the SEC to be permitted to take up and pay for Common Shares deposited during the Subsequent Offering Period within ten calendar days of the date the Common Shares were deposited, in accordance with Canadian Law and practice. Notwithstanding the provisions of Rule 14d-7(a)(2) under the U.S. Exchange Act relating to the ability of a purchaser in a tender offer to terminate withdrawal rights during a Subsequent Offering Period, Alamos will permit withdrawal of tendered Common Shares during a Subsequent Offering Period, if there is one, until the tendered Common Shares are taken up. See Section 8 of the Offer, “Withdrawal of Deposited Common Shares”.

### **3. Manner of Acceptance**

#### ***Letter of Transmittal***

The Offer may be accepted by delivering to the Depositary and Information Agent at its offices in Toronto, Ontario specified in the Letter of Transmittal (printed on **YELLOW** paper) accompanying the Offer, so as to be received at or prior to the Expiry Time:

- (a) the certificate(s) or DRS Advice representing the Common Shares in respect of which the Offer is being accepted;
- (b) a Letter of Transmittal in the form accompanying the Offer (or a manually executed facsimile thereof), properly completed and duly executed in accordance with the instructions and rules set forth in the Letter of Transmittal (including a signature guarantee if required); and
- (c) all other documents required by the terms of the Offer and the Letter of Transmittal.

The Offer will be deemed to be accepted only if the Depositary and Information Agent has actually received these documents at or prior to the Expiry Time. Alternatively, Common Shares may be deposited under the Offer in compliance with the procedures for book-entry transfers set out below under the heading “Acceptance by Book-Entry Transfer” or in compliance with the procedures for guaranteed delivery set out below under the heading “Procedure for Guaranteed Delivery”.

Except as otherwise provided in the instructions and rules set out in the Letter of Transmittal, the signature on the Letter of Transmittal must be guaranteed by an Eligible Institution. If a Letter of Transmittal is executed by a person other than the registered Shareholder represented by the certificate(s) deposited therewith, or if payment is to be issued to a person other than the registered Shareholder, the certificate(s) must be endorsed, or be accompanied by an appropriate share transfer power of attorney, in either case, duly and properly completed by the registered Shareholder, with the signature on the endorsement panel or share transfer power of attorney guaranteed by an Eligible Institution.

Participants in CDS or DTC should contact the Depositary and Information Agent with respect to the deposit of their Common Shares under the Offer. CDS and DTC will be issuing instructions to their participants as to the method of depositing such Common Shares under the terms of the Offer. See “Acceptance by Book-Entry Transfer” below.

#### ***Acceptance by Book-Entry Transfer***

Shareholders may accept the Offer by following the procedures for a book-entry transfer established by CDS provided that a Book-Entry Confirmation through CDSX is received by the Depositary and Information Agent at its office in Toronto, Ontario specified in the Letter of Transmittal at or prior to the Expiry Time. The Depositary and Information Agent has established an account at CDS for the purpose of the Offer. Any financial institution that is a participant in CDS may cause CDS to make a book-entry transfer of a Shareholder’s Common Shares into the Depositary and Information Agent’s account in accordance with CDS’ procedures for such transfer. Delivery of Common Shares to the Depositary and Information Agent by means of a book-entry transfer will constitute a valid tender of such Common Shares under the Offer. Shareholders, through their respective CDS participants who utilize CDSX to accept the Offer through a book-entry transfer of their holdings into the Depositary and Information Agent’s account with CDS, shall be deemed to have completed and delivered a Letter of Transmittal and to be bound by the terms thereof and therefore such instructions received by the Depositary and Information Agent are considered a valid tender of Common Shares in accordance with the terms of the Offer.





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Shareholders who hold their Common Shares by book-entry through DTC may also accept the Offer by following the procedures for book-entry transfer established by DTC, provided that a Book-Entry Confirmation, together with an Agent's Message in respect thereof, or a properly completed and duly executed Letter of Transmittal (or a manually executed facsimile thereof), together with any required signature guarantees, and all other required documents, are received by the Depositary and Information Agent at its offices in Toronto, Ontario specified in the Letter of Transmittal at or prior to the Expiry Time. The Depositary and Information Agent has established an account at DTC for the purpose of the Offer. Any financial institution that is a participant in DTC's systems may cause DTC to make a book-entry transfer of a Shareholder's Common Shares into the Depositary and Information Agent's account in accordance with DTC's procedures for such transfer. However, as noted above, although delivery of Common Shares may be effected through book-entry transfer at DTC, either a Letter of Transmittal (or a manually executed facsimile thereof), properly completed and duly executed, together with any required signature guarantees, or an Agent's Message in lieu of a Letter of Transmittal, and any other required documents, must, in any case, be received by the Depositary and Information Agent at its office in Toronto, Ontario prior to the Expiry Time.

Delivery of documents to DTC in accordance with its procedures does not constitute delivery to the Depositary and Information Agent. Shareholders accepting the Offer through the procedure for book-entry transfer established by DTC must make sure such documents or Agent's Message are received by the Depositary and Information Agent at or prior to the Expiry Time.

#### ***Procedure for Guaranteed Delivery***

If a Shareholder wishes to deposit Common Shares pursuant to the Offer and (a) the certificate(s) representing the Common Shares are not immediately available, (b) the Shareholder cannot complete the procedure for book-entry transfer of such Common Shares on a timely basis, or (c) the certificate(s) and all other required documents cannot be delivered to the Depositary and Information Agent at or prior to the Expiry Time, such Common Shares nevertheless may be deposited validly under the Offer provided that all of the following conditions are met:

- (a) the deposit is made by or through an Eligible Institution;
- (b) a Notice of Guaranteed Delivery printed on **GREEN** paper (or a manually executed facsimile thereof) in the form accompanying the Offer, properly completed and duly executed, including the guarantee of delivery by an Eligible Institution in the form set out in the Notice of Guaranteed Delivery, is received by the Depositary and Information Agent at its offices in Toronto, Ontario specified in the Notice of Guaranteed Delivery at or prior to the Expiry Time; and
- (c) the certificate(s) representing deposited Common Shares, in proper form for transfer, together with a Letter of Transmittal (or a manually executed facsimile thereof), properly completed and duly executed, together with any required signature guarantees, and all other documents required by the Letter of Transmittal (or, in the case of a book-entry transfer, a Book-Entry Confirmation with respect to the deposited Common Shares and, in the case of DTC accounts, a Letter of Transmittal or a manually executed facsimile thereof, properly completed and duly executed, together with any required signature guarantees, or an Agent's Message in lieu of a Letter of Transmittal), are received by the Depositary and Information Agent at or prior to 5:00 p.m. (Toronto time) on the third trading day on the TSX after the Expiry Time. To constitute delivery for the purpose of satisfying a guaranteed delivery, the Letter of Transmittal and accompanying share certificate(s) must be delivered to the Toronto, Ontario office of the Depositary and Information Agent.

If a Shareholder delivers a Notice of Guaranteed Delivery in respect of Common Shares deposited with a subsequent Letter of Transmittal, the election (or deemed election) made in that Notice of Guaranteed Delivery as to the consideration to be received will supersede any election made in such subsequent Letter of Transmittal.

**The Notice of Guaranteed Delivery may be delivered by mail, hand or courier or transmitted by facsimile transmission to the Depositary and Information Agent at its offices in Toronto, Ontario specified in the Notice of Guaranteed Delivery at or prior to the Expiry Time and must include a guarantee by an Eligible Institution in the form set forth in the Notice of Guaranteed Delivery.**



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## **General**

In all cases, payment for Common Shares deposited and taken up by Alamos will be made only after timely receipt by the Depositary and Information Agent of (a) certificates representing the Common Shares, as applicable (or, in the case of a book-entry transfer to the Depositary and Information Agent, a Book-Entry Confirmation for the Common Shares, as applicable), (b) a Letter of Transmittal (or a manually executed facsimile thereof), properly completed and duly executed, covering such Common Shares with the signatures guaranteed, if required, in accordance with the instructions set out in the Letter of Transmittal (or (i) in the case of a book-entry transfer to the Depositary and Information Agent through CDS, a Book-Entry Confirmation for the Common Shares, and (ii) in the case of a book-entry transfer to the Depositary and Information Agent through DTC, a Book-Entry Confirmation for the Common Shares and an Agent's Message or a Letter of Transmittal if an Agent's Message is not deliverable), and (c) all other required documents.

If a share certificate has been lost or destroyed, the Letter of Transmittal should be completed as fully as possible and forwarded, together with a letter describing the loss and a contact telephone number, to the Depositary and Information Agent at its offices in Toronto, Ontario specified in the Letter of Transmittal. The Depositary and Information Agent will forward a copy to the transfer agent for the Common Shares and such transfer agent will advise you of the replacement requirements, which must be properly completed and returned before the Expiry Time.

**The method of delivery of certificates representing Common Shares, the Letter of Transmittal, the Notice of Guaranteed Delivery and all other required documents is at the option and risk of the person depositing those documents. Alamos recommends that such documents be delivered by hand to the Depositary and Information Agent and a receipt obtained or, if mailed, that registered mail, with return receipt requested, be used and that proper insurance be obtained. It is suggested that any such mailing be made sufficiently in advance of the Expiry Time to permit delivery to the Depositary and Information Agent before the Expiry Time. Delivery will only be effective upon actual physical receipt by the Depositary and Information Agent.**

**Persons whose Common Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should contact such nominee for assistance if they wish to accept the Offer in order to take the necessary steps to be able to deposit such Common Shares under the Offer. Intermediaries likely have established tendering cut-off times that are up to 48 hours prior to the Expiry Time. Shareholders must instruct their brokers or other intermediaries promptly if they wish to tender.**

All questions as to the validity, form, eligibility (including timely receipt) and acceptance of any Common Shares deposited under the Offer will be determined by Alamos in its sole discretion. Depositing Shareholders agree that such determination shall be final and binding. Alamos reserves the absolute right to reject any and all deposits that it determines not to be in proper form or that may be unlawful to accept under the Laws of any applicable jurisdiction. Alamos reserves the absolute right to waive any defects or irregularities in the deposit of any Common Shares. There shall be no duty or obligation of Alamos, the Depositary and Information Agent or any other person to give notice of any defects or irregularities in any deposit and no liability shall be incurred by any of them for failure to give any such notice. Alamos' interpretation of the terms and conditions of the Offer, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery will be final and binding.

Alamos reserves the right to permit the Offer to be accepted in a manner other than that set out in this Section 3.

Under no circumstance will interest accrue or any amount be paid by Alamos or the Depositary and Information Agent by reason of any delay in making payments for Common Shares to any person on account of Common Shares accepted for payment under the Offer.

**Shareholders should contact the Depositary and Information Agent, the Dealer Manager, a Soliciting Dealer or a broker or dealer for assistance in accepting the Offer and depositing Common Shares with the Depositary and Information Agent.**

## ***Dividends and Distributions***

Subject to the terms and conditions of the Offer and subject, in particular, to Common Shares being validly withdrawn by or on behalf of a depositing Shareholder, and except as provided below, by accepting the Offer pursuant to the procedures set forth herein, a

Shareholder deposits, sells, assigns and transfers to Alamos all right, title and interest in and to the Common Shares covered by the Letter of Transmittal or book-entry transfer (the

**“Deposited Shares”**) and in and to all rights and benefits arising from such Deposited Shares including, without limitation, any and all dividends, distributions, payments, securities, property or other interests that may be declared, paid, accrued, issued, distributed, made or transferred on or in respect of the Deposited Shares or any of them after January 14, 2013 (being the date of the Offer), including, without limitation, any dividends, distributions or payments on such dividends, distributions, payments, securities, property or other interests and any securities, property or other interests for which such Deposited Shares may be exercised, exchanged or converted (collectively, **“Distributions”**).

### ***Power of Attorney***

The execution of a Letter of Transmittal or the making of a book-entry transfer in accordance with Section 3 of the Offer, **“Manner of Acceptance – Acceptance by Book-Entry Transfer”**, irrevocably appoints each officer of Alamos and any other person designated by Alamos in writing as the true and lawful agent, attorney and attorney-in-fact and proxy of the holder of the Deposited Shares deposited pursuant to the Offer and purchased by Alamos (the **“Purchased Shares”**), and with respect to any and all Distributions thereon which may be declared, paid, accrued, issued, distributed, made or transferred on or in respect of the Purchased Shares or any of them after January 14, 2013 except as otherwise indicated in Section 10 of the Offer, **“Changes in Capitalization, Dividends, Distributions and Liens”**.

Such power of attorney shall be effective on or after the date that Alamos takes up and pays for the Purchased Shares, with full power of substitution and resubstitution (such powers of attorney, being coupled with an interest, being irrevocable), to, in the name of and on behalf of such Shareholder:

- (a) register or record the transfer and/or cancellation of Purchased Shares and Distributions on the appropriate registers maintained by or on behalf of Aurizon;
- (b) for so long as any such Purchased Shares are registered or recorded in the name of such Shareholder, to exercise any and all rights of such Shareholder including, without limitation, the right to vote, execute and deliver, as and when requested by Alamos, any instruments of proxy, authorizations, resolutions or consents in form and on terms satisfactory to Alamos in respect of any Purchased Shares and Distributions, to revoke any such instrument, authorization, resolution or consent, or to designate in any such instrument, authorization, resolution or consent any person or persons as the proxyholder of such Shareholder in respect of such Purchased Shares or Distributions for all purposes including, without limitation, in connection with any meeting (whether annual, special or otherwise or any adjournments or postponements thereof, including, without limitation, any meeting to consider a Subsequent Acquisition Transaction) of holders of relevant securities of Aurizon;
- (c) execute, endorse and negotiate any cheques or other instruments representing any Distributions payable to or to the order of, or endorsed in favour of, a holder of Purchased Shares or Distributions;
- (d) exercise any rights of a holder of Purchased Shares and Distributions with respect to such Purchased Shares and Distributions; and
- (e) execute all such further and other documents, transfers or other assurances as may be necessary or desirable in the sole judgment of Alamos to effectively convey such Purchased Shares and Distributions to Alamos, all as specified in the Letter of Transmittal.

A Shareholder who executes a Letter of Transmittal (or who deposits Common Shares by making a book-entry transfer) also agrees, effective on and after the date Alamos takes up and pays for Purchased Shares, not to vote any of the Purchased Shares or Distributions at any meeting (whether annual, special or otherwise or any adjournments or postponements thereof, including, without limitation, any meeting to consider a Subsequent Acquisition Transaction) of holders of relevant securities of Aurizon and not to exercise any or all of the other rights or privileges attached to the Purchased Shares or Distributions and agrees to execute and deliver to Alamos any and all instruments of proxy, authorizations or consents, in form and on terms satisfactory to Alamos, in respect of all or any of the Purchased Shares or Distributions, and to designate in such instruments of proxy the person or persons specified by Alamos as the proxy or the proxy nominee or nominees of the holder in respect of the Purchased Shares or Distributions. Upon such appointment, all prior

proxies and other authorizations (including, without limitation, all appointments of any agent, attorney or attorney-in-fact) or consents given by the holder of such Purchased Shares or Distributions with respect thereto shall be revoked and no subsequent proxies or other authorizations or consents may be given by such person with respect thereto.

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## ***Further Assurances***

A Shareholder accepting the Offer covenants under the terms of the Letter of Transmittal or book-entry transfer to execute, upon request of Alamos, any additional documents, transfers and other assurances as may be necessary or desirable to complete the sale, assignment and transfer of the Purchased Shares or Distributions to Alamos and acknowledges that all authority therein conferred or agreed to be conferred may be exercised during any subsequent legal incapacity of such holder and shall, to the extent permitted by Law, survive the death or incapacity, bankruptcy or insolvency of the Shareholder and all obligations of the Shareholder therein shall be binding upon the heirs, executors, administrators, attorneys, personal representatives, successors and assigns of such Shareholder.

## ***Formation of Agreement; Depositing Shareholders' Representations and Warranties***

The acceptance of the Offer pursuant to the procedures described above will constitute a binding agreement between the depositing Shareholder and Alamos, effective immediately following the time at which Alamos takes up Common Shares deposited by such Shareholder, upon the terms and subject to the conditions of the Offer, including the depositing Shareholder's representation and warranty that: (i) such person has full power and authority to deposit, sell, assign and transfer the Common Shares (and any Distributions) being deposited and all interests therein and has not sold, assigned or transferred or agreed to sell, assign or transfer any of such Common Shares or Distributions (or interests therein) to any other person, (ii) such Shareholder depositing the Common Shares (and any Distributions), or on whose behalf such Common Shares (and any Distributions) are being deposited, has good title to and is the beneficial owner of the Common Shares (and any Distributions) being deposited within the meaning of applicable Laws, (iii) the deposit of such Common Shares (and any Distributions) complies with applicable Laws, and (iv) when such deposited Common Shares (and any Distributions) are taken up and paid for by Alamos, Alamos will acquire good title thereto free and clear of all liens, restrictions, charges, encumbrances, claims, adverse interests, equities and rights of other persons.

## **4. Conditions of the Offer**

Notwithstanding any other provision of the Offer, and subject to applicable Laws, Alamos shall have the right to withdraw or terminate the Offer and not take up and pay for any Common Shares deposited under the Offer, or to extend the period of time during which the Offer is open for acceptance and postpone taking up and paying for any Common Shares deposited under the Offer, unless all of the following conditions are satisfied or waived by Alamos at or prior to the Expiry Time:

- (a) there shall have been validly deposited under the Offer and not withdrawn at the Expiry Time that number of Common Shares, which, together with the Common Shares directly or indirectly held or controlled by Alamos and its affiliates, represents not less than  $66\frac{2}{3}\%$  of the issued and outstanding Common Shares (calculated on a fully diluted basis);
- (b) neither Aurizon nor any of its entities shall have, on or after January 11, 2013, taken any action, or authorized, recommended, proposed or announced the intention to take any action, having the effect of impairing the ability of Alamos to acquire Aurizon, otherwise diminishing the expected economic value to Alamos of the acquisition of Aurizon or making it inadvisable, in Alamos' reasonable judgment, for Alamos to proceed with the Offer and/or with the taking up and paying for Common Shares under the Offer, including, but not limited to:
  - (i) issuing, selling or authorizing any additional Common Shares, shares of any other class or series in the capital of Aurizon or any of its subsidiaries, other voting securities or any securities convertible into, or options, rights or warrants, conditional or otherwise, to acquire, any of the foregoing, or any other securities or rights in respect of, in lieu of, or in substitution or exchange for, any shares in Aurizon's or any of its subsidiaries' share capital (except for issuances upon the exercise of stock options to acquire Common Shares required by law to be settled in Common Shares issued and outstanding as of the date of the Offer under Aurizon's existing publicly disclosed stock option, incentive and other compensatory plans for directors, officers and employees of Aurizon, in accordance with the terms of such stock options and plans as publicly disclosed prior to the date of the Offer);



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- (ii) acquiring or otherwise causing a reduction in the number of, or authorizing or proposing the acquisition or other reduction in the number of, outstanding Common Shares or other securities of Aurizon or any of its entities;
  - (iii) declaring, paying, authorizing or making any payment, distribution or dividend on any of Aurizon's securities;
  - (iv) altering or proposing to alter any material term of any outstanding security;
  - (v) issuing or selling, or authorizing or proposing the issuance or sale of, any debt securities or otherwise incurring, authorizing, committing to incur or proposing the incurrence of any debt or the making of any loans or advances or guaranteeing or becoming otherwise responsible for any liabilities or obligations of any other person;
  - (vi) any acquisition from a third party of material assets or of securities of any third party by Aurizon or any of its entities;
  - (vii) any action or event with respect to, or any agreement, proposal, offer or understanding relating to, any sale, disposition, spin-out or other dealing with any of the assets of Aurizon or any of its entities (other than any such sale, disposition or other dealing between Aurizon and any entity which is a wholly owned subsidiary of Aurizon as of the date of the Offer or in the ordinary course of business and consistent with past practice);
  - (viii) any action or event related to any take-over bid (other than the Offer), merger, amalgamation, statutory arrangement, recapitalization, business combination, share exchange, material joint venture or similar transaction involving Aurizon or any of its entities;
  - (ix) making or committing to make any material capital expenditure by Aurizon or any of its entities (other than as publicly disclosed prior to January 11, 2013);
  - (x) adopting, amending, varying, modifying or taking any other action with respect to any bonus, profit sharing, incentive, salary or other compensation, equity based award, pension, retirement, deferred compensation, severance, change in control, employment or other employee benefit plan, agreement, trust, fund or arrangement for the benefit or welfare of any officer, director or employee, or similar rights or other benefits;
  - (xi) waiving, releasing, granting, transferring or amending any rights of material value under (x) any existing material contract in respect of any material joint ventures or material properties or projects, or (y) any other material licence, lease, permit, authorization, concession, contract, agreement, instrument or other document (other than in the ordinary course of business consistent with past practice and only if so doing would not, in the sole judgment of Alamos, adversely affect Aurizon or its entities considered individually or on a consolidated basis);
  - (xii) entering into or completing any material transaction;
  - (xiii) any change to Aurizon's constituting documents; and
  - (xiv) any proposal, plan or intention to do any of the foregoing, either publicly announced or communicated by Aurizon or any of its entities, or any agreement to engage in any of the foregoing (collectively, a "**Material Adverse Change**");
- (c) Aurizon shall not have adopted a shareholder rights plan that provides rights to the Shareholders to purchase any securities of Aurizon as a result of the Offer or any Subsequent Acquisition Transaction, or if any such shareholder rights plan is adopted, it shall not and will not adversely affect the Offer or Alamos, either before or on consummation of the Offer, or the purchase of any Common Shares under any Subsequent Acquisition Transaction;

- (d) the Competition Act Approval, the HSR Condition and all other governmental or regulatory approvals, waiting or suspensory periods, waivers, permits, consents, authorizations, reviews, orders, rulings, decisions, and exemptions (including in Canada, the United States or elsewhere)

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and including, among others, those required by any stock exchanges or other securities, competition or regulatory authorities) that, in Alamos' reasonable judgment, are necessary or desirable to complete the Offer or any Compulsory Acquisition or Subsequent Acquisition Transaction (including to issue and list on the TSX and NYSE the Alamos Shares to be issued pursuant to the Offer or any Compulsory Acquisition or Subsequent Acquisition Transaction), shall have been obtained or concluded or, in the case of any applicable waiting or suspensory periods, expired or been waived or terminated, each on terms and conditions satisfactory to Alamos in its reasonable judgment;

- (e) Alamos shall have determined in its reasonable judgment that (x) no inquiry, act, action, suit or proceeding has been threatened, taken or commenced before or by any domestic or foreign court or tribunal or other Governmental Authority or by any elected or appointed public official or private person in Canada or elsewhere (whether or not having the force of Law), and (y) no Law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of Law) will have been proposed, enacted, promulgated or applied, in the case of either (x) or (y):
  - (i) to cease trade, enjoin, prohibit or impose material limitations or conditions on the purchase by, or the sale to, Alamos of any of the Common Shares or the right of Alamos to own Aurizon or exercise full rights of ownership over the Common Shares;
  - (ii) which, if the Offer was consummated, could, in the reasonable judgment of Alamos, adversely affect Alamos, any of its entities or its or their assets considered individually or on a consolidated basis, or which, whether or not the Offer was consummated, could, in the reasonable judgment of Alamos, adversely affect Aurizon or any of its entities considered individually or on a consolidated basis; or
  - (iii) which may challenge, prevent, prohibit or make uncertain the ability of, or make it inadvisable for, Alamos or its entities to proceed with, make or maintain the Offer to take up and pay for Common Shares deposited under the Offer or to complete a Compulsory Acquisition or a Subsequent Acquisition Transaction;
- (f) Alamos shall have determined in its reasonable judgment that there shall not exist any prohibition at Law against Alamos making the Offer or taking up and paying for Common Shares deposited under the Offer or completing any Compulsory Acquisition or Subsequent Acquisition Transaction;
- (g) Alamos shall have determined in its reasonable judgment that there shall not have occurred (or if such shall have previously occurred, there shall not have been generally disclosed or disclosed to Alamos) any actual or threatened change (including any announcement, governmental or regulatory initiative or any condition, event, circumstance or development involving a prospective change) with respect to the business, assets, operations, capitalization, condition (financial or otherwise), prospects, results of operations, cash flows, properties, licences, permits, rights or privileges, whether contractual or otherwise, or liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise) of, or with respect to the regulatory regime applicable to, Aurizon or any of its entities which is or may be materially adverse to Aurizon or any of its entities or to the value of the Common Shares to Alamos;
- (h) Alamos shall have determined in its reasonable judgment that there shall not have occurred, developed or come into effect or existence (or if there does exist or shall have occurred, developed or come into effect or existence, there shall not have been generally disclosed or disclosed to Alamos) any event, action, state of affairs, condition or occurrence of national or international consequence or any Law or regulation or change thereof, action, inquiry or other occurrence of any nature whatsoever that materially adversely affects or would reasonably be expected to materially adversely affect the financial, banking or capital markets generally;
- (i) Aurizon shall have disclosed to Alamos and publicly filed all material information, documents and reports in relation to Aurizon, and all material contracts, agreements, indentures and other instruments to which Aurizon or any of its entities is a party or by which they or any of their respective assets is subject, as may be required by applicable Law (including for greater certainty



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the SEDAR Filer Manual in relation to public filings in Canada) and the securities regulatory authorities in any of the provinces or territories of Canada and in the United States;

- (j) Alamos shall have determined in its reasonable judgment that (i) no right, franchise, concession, permit, lease or licence of Aurizon or any of its entities has been or may be impaired or otherwise adversely affected or threatened to be impaired or adversely affected, whether as a result of Alamos making the Offer or taking up and paying for Common Shares under the Offer or completing a Compulsory Acquisition or a Subsequent Acquisition Transaction or otherwise, and (ii) no covenant, term or condition exists in any contract, agreement, indenture or other instrument to which Aurizon or any of its entities is a party or by which they or any of their respective assets is subject, which in the case of either (i) or (ii) might make it inadvisable for Alamos to proceed with the Offer and the taking up and paying for Common Shares deposited under the Offer or a Compulsory Acquisition or a Subsequent Acquisition Transaction;
- (k) neither Aurizon nor any of its entities shall have amended, or permitted any of its entities to amend, any related party arrangements disclosed in Aurizon's audited consolidated financial statements for the year ended December 31, 2011, or have entered into any other or new related party arrangements;
- (l) Alamos shall not have become aware of any untrue statement of material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made and at the date it was made (after giving effect to all subsequent filings in relation to all matters covered in earlier filings), in any document filed by or on behalf of Aurizon or any of its entities with any securities commission or similar securities regulatory authority in any of the provinces or territories of Canada or in the United States, which Alamos shall have determined in its sole judgment is materially adverse or would reasonably be materially adverse to Aurizon or its entities or which, if the Offer, a Compulsory Acquisition or any Subsequent Acquisition Transaction were consummated would be materially adverse to Alamos or its entities or Aurizon or its entities;
- (m) Alamos shall have determined in its reasonable judgment (i) that there has not occurred any change in the compensation paid or payable by Aurizon or any of its entities to its directors, officers or employees including the granting of additional shares, stock options or bonuses, and (ii) that Aurizon has publicly disclosed all material terms of any agreement or arrangement with its directors, officers or employees with respect to change of control or severance arrangements, including the amount of any severance or termination payments payable thereunder;
- (n) Alamos shall have been provided with, or been given access to, in a timely manner, all non-public information relating to Aurizon and its affiliates and subsidiaries, including access to management of Aurizon, as has been or may on or after the date of the Offer be given, provided or made available by Aurizon or any of its affiliates or subsidiaries to any other potential acquiror considering (or seeking such information in order to consider) any take-over bid, merger, amalgamation, statutory arrangement, recapitalization, business combination, share exchange, joint venture or similar transaction involving Aurizon or any of its affiliates or subsidiaries on substantially the same terms and conditions as have been imposed on or as may be imposed on any such other potential acquiror, provided that no such term or condition shall be imposed on Alamos that would be inconsistent with or would render Alamos unable to make the Offer or a revised offer, to take up and pay for any Common Shares deposited under the Offer or a revised offer or to complete the acquisition of the Common Shares pursuant to the terms of the Offer or to effect a Compulsory Acquisition or a Subsequent Acquisition Transaction; and
- (o) all third party consents that Alamos may reasonably consider to be necessary or desirable as a result of the change of control of Aurizon pursuant to the Offer shall have been obtained on terms satisfactory to Alamos in its reasonable judgment.

The foregoing conditions are for the exclusive benefit of Alamos and may be asserted by Alamos at any time, regardless of the circumstances giving rise to such assertion, including any action or inaction by Alamos. Each of the foregoing conditions is independent of and in addition to each other such condition. Alamos may waive any of the foregoing conditions with respect to the Offer in its reasonable discretion, in whole or in part, at any time and



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from time to time, both before and after the Expiry Time, without prejudice to any other rights that Alamos may have. The failure by Alamos at any time to exercise or assert any of the foregoing rights will not be deemed a waiver of any such right and each such right will be deemed an ongoing right that may be asserted at any time and from time to time by Alamos.

Any waiver of a condition or the withdrawal of the Offer will be effective upon written notice, or other communication confirmed in writing, by Alamos to that effect to the Depositary and Information Agent at its principal office in Toronto, Ontario. Alamos, after giving any such notice, will make a public announcement of such waiver or withdrawal, and will cause the Depositary and Information Agent, if required by Law, as soon as practicable thereafter to notify the Shareholders, in the manner set forth in Section 11 of the Offer, "Notices and Delivery". If the Offer is withdrawn, Alamos will not be obligated to take up or pay for any Common Shares deposited under the Offer and the Depositary and Information Agent will promptly return all documents tendered to the Depositary and Information Agent under the Offer including certificates representing deposited Common Shares, Letters of Transmittal, Notices of Guaranteed Delivery and related documents to the parties by whom they were deposited. See Section 7 of the Offer, "Return of Deposited Common Shares".

Any determination by Alamos concerning any events or other matters described in this Section 4 will be final and binding upon all persons for purposes of the Offer.

## **5. Extension, Variation or Change of the Offer**

The Offer is open for acceptance until, but not after, the Expiry Time, subject to extension or variation in Alamos' sole discretion, unless the Offer is withdrawn by Alamos.

Alamos reserves the right, in its sole discretion, at any time and from time to time while the Offer is open for acceptance, to extend the Expiry Time for the Offer or to vary the Offer by giving written notice, or other communication confirmed in writing, of such extension or variation to the Depositary and Information Agent at its principal office in Toronto, Ontario and by causing the Depositary and Information Agent as soon as practicable thereafter, if required by applicable Law, to communicate such notice in the manner set forth in Section 11 of the Offer, "Notices and Delivery", to all Shareholders whose Common Shares have not been taken up prior to such extension or variation. Alamos will, as soon as possible after giving notice of an extension or variation to the Depositary and Information Agent, make a public announcement of the extension or variation to the extent and in the manner required by applicable Law. Any notice of extension or variation will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated to the Depositary and Information Agent at its principal office in Toronto, Ontario.

If the terms of the Offer are varied (other than a variation consisting solely of a waiver of a condition of the Offer), the Offer will not expire before 10 business days after the notice of such variation has been given to Shareholders, unless otherwise permitted by applicable Law and subject to abridgement or elimination of that period pursuant to such orders or other forms or relief as may be granted by Canadian courts or applicable securities regulatory authorities. In addition, notwithstanding the foregoing, if Alamos makes a material change in the terms of the Offer or the information concerning the Offer, or if it waives a material condition of the Offer, Alamos will disseminate additional offer materials and extend the Offer to the extent required by Rules 14d-4(d), 14d-6(c) and 14e-1 under the U.S. Exchange Act. Under the U.S. Exchange Act, the minimum period during which an offer must remain open following material changes in the terms of such offer, other than a change in consideration offered, percentage of securities sought or inclusion of or changes to a dealer's soliciting fee, will depend upon the facts and circumstances, including the materiality, of the changes. Generally, in the SEC's view, an offer should remain open for a minimum of five U.S. business days from the date the material change is first published, sent or given to shareholders and, if material changes are made with respect to information that approaches the significance of the consideration offered, percentage of securities sought or a dealer's soliciting fee, a minimum of ten U.S. business days is required to allow for adequate dissemination of information to shareholders and investor response.

Accordingly, if, prior to the Expiry Time, Alamos decreases the number of Common Shares being sought, increases or decreases the consideration offered pursuant to the Offer or increases or decreases a dealer's soliciting fee, and if the Offer is scheduled to expire at any time earlier than the tenth U.S. business day from the date that notice of such increase or decrease is first published, sent or given to Shareholders, the Offer will be extended at least until the expiration of such tenth U.S. business day. The requirement to

extend the Offer will not apply to the extent that the number of U.S. business days remaining between the occurrence of the change and the then-



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scheduled Expiry Time equals or exceeds the minimum extension period that would be required because of such amendment.

If at any time before the Expiry Time, or at any time after the Expiry Time but before the expiry of all rights of withdrawal with respect to the Offer, a change occurs in the information contained in the Offer and Circular, as amended from time to time, that would reasonably be expected to affect the decision of a Shareholder to accept or reject the Offer (other than a change that is not within the control of Alamos or of an affiliate of Alamos, unless it is a change in a material fact relating to the Alamos Shares), Alamos will give written notice of such change to the Depositary and Information Agent at its principal office in Toronto, Ontario and will cause the Depositary and Information Agent, if required by applicable Law, to provide as soon as practicable thereafter a copy of such notice in the manner set forth in Section 9 of the Offer, "Notices and Delivery", to all Shareholders whose Common Shares have not been taken up pursuant to the Offer at the date of the occurrence of the change, if required by applicable Law. Alamos will as soon as practicable after giving notice of a change in information to the Depositary and Information Agent make a public announcement of the change in information to the extent and in the manner required by applicable Law. Any notice of change in information will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated to the Depositary and Information Agent at its principal office in Toronto, Ontario.

Notwithstanding the foregoing, but subject to applicable Laws, the Offer may not be extended by Alamos if all of the terms and conditions of the Offer, except those waived by Alamos, have been fulfilled or complied with, unless Alamos first takes up all Common Shares deposited under the Offer and not properly withdrawn.

During any such extension or in the event of any variation of the Offer or change in information, all Common Shares previously deposited and not taken up or properly withdrawn will remain subject to the Offer and may be accepted for purchase by Alamos in accordance with the terms hereof. An extension of the Expiry Time, a variation of the Offer or a change in information does not constitute a waiver by Alamos of its rights under Section 4 of the Offer, "Conditions of the Offer".

If the consideration being offered for the Common Shares under the Offer is increased, the increased consideration will be paid to all depositing Shareholders whose Common Shares are taken up under the Offer, whether or not such Common Shares were taken up before the increase.

## **6. Take-up of and Payment for Deposited Common Shares**

Upon the terms and subject to the conditions of the Offer (including the conditions specified in Section 4 of the Offer, "Conditions of the Offer"), Alamos will take up Common Shares validly deposited under the Offer and not properly withdrawn promptly following the Expiry Time but in no event later than 10 days after the Expiry Time and will pay for Common Shares taken up as soon as practicable thereafter, but in any event not later than three business days after taking up the deposited Common Shares. In accordance with applicable Law, Alamos will take up and pay for Common Shares deposited under the Offer in any Subsequent Offering Period within 10 days after such deposit. Alamos will be deemed to have taken up and accepted for payment Common Shares validly deposited and not properly withdrawn pursuant to the Offer if, as and when Alamos gives written notice, or other communication confirmed in writing, to the Depositary and Information Agent at its offices in Toronto, Ontario to that effect.

Subject to applicable Law, Alamos expressly reserves the right in its sole discretion to delay taking up and paying for any Common Shares or to terminate the Offer and not take up or pay for any Common Shares pursuant to the Offer if any condition specified in Section 4 of the Offer, "Conditions of the Offer", is not satisfied or waived by Alamos, by giving written notice thereof, or other communication confirmed in writing, to the Depositary and Information Agent at its principal office in Toronto, Ontario. Alamos also expressly reserves the right, in its sole discretion and notwithstanding any other condition of the Offer, to delay taking up and paying for Common Shares in order to comply, in whole or in part, with any applicable Law.

Alamos will pay for Common Shares validly deposited under the Offer and not withdrawn by providing the Depositary and Information Agent with sufficient funds (by wire transfer or other means satisfactory to the Depositary and Information Agent) and certificates or direct registration for Alamos Shares for transmittal to depositing Shareholders. Under no circumstances will interest accrue or be paid by Alamos or the Depositary and Information Agent to persons depositing Common Shares on the purchase price of Common Shares purchased by Alamos, regardless of any delay in making such payments.



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The Depositary and Information Agent will act as the agent of persons who have deposited Common Shares in acceptance of the Offer for the purposes of receiving payment from Alamos and transmitting such payment to such persons, and receipt of payment by the Depositary and Information Agent will be deemed to constitute receipt of payment by persons depositing Common Shares under the Offer.

Settlement with each Shareholder who has deposited (and not properly withdrawn) Common Shares under the Offer will be made by the Depositary and Information Agent issuing or causing to be issued a cheque (except for payments in excess of \$25 million, which will be made by wire transfer, as set out in the Letter of Transmittal) payable in Canadian funds and delivering or causing to be delivered certificates or direct registration representing Alamos Shares, in the amounts to which the person depositing Common Shares is entitled. Unless otherwise directed by the Letter of Transmittal, the cheque and certificates will be issued in the name of the registered holder of the Common Shares so deposited. Unless the person depositing the Common Shares instructs the Depositary and Information Agent to hold the cheque and certificates for pick-up by checking the appropriate box in the Letter of Transmittal, the cheque and certificates will be forwarded by first class mail to such person at the address specified in the Letter of Transmittal. If no such address is specified, the cheque and certificates will be sent to the address of the registered holder as shown on the securities register maintained by or on behalf of Aurizon. Cheques and certificates mailed in accordance with this paragraph will be deemed to be delivered at the time of mailing. Pursuant to applicable Laws, Alamos may, in certain circumstances, be required to make withholdings from the amount otherwise payable to a Shareholder.

Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Common Shares directly with the Depositary and Information Agent or if they make use of the services of a Soliciting Dealer to accept the Offer. However, a broker or other nominee that is not a Soliciting Dealer and through whom a Shareholder owns Common Shares may charge a fee to tender any such Common Shares on behalf of the Shareholder. Shareholders should consult their brokers or nominees to determine whether any charges will apply.

#### **7. Return of Deposited Common Shares**

Any Deposited Shares not taken up and paid for by Alamos pursuant to the terms and conditions of the Offer for any reason will be returned to the depositing Shareholder promptly following the Expiry Time or the termination or withdrawal of the Offer, by either: (a) returning the deposited certificates representing the Common Shares not purchased (and other relevant documents) or (b) in the case of Common Shares deposited by book-entry transfer pursuant to the procedures set forth under Section 3 of the Offer, “Manner of Acceptance – Acceptance by Book-Entry Transfer”, such Common Shares will be credited to the depositing Shareholder’s account maintained by CDS or DTC, as applicable. Certificates (and any other relevant documents) will be forwarded by first-class mail in the name of and to the address specified by the Shareholder in the Letter of Transmittal or, if such name or address is not so specified, in such name and to such address as shown on the share register maintained by Aurizon or its transfer agent, promptly after the termination of the Offer.

#### **8. Withdrawal of Deposited Common Shares**

Except as otherwise stated in this Section 8 or as otherwise required by applicable Laws, all deposits of Common Shares pursuant to the Offer are irrevocable. Unless otherwise required or permitted by applicable Laws, any Common Shares deposited in acceptance of the Offer may be withdrawn by or on behalf of the depositing Shareholder:

- (a) at any time before the Deposited Shares have been taken up by Alamos pursuant to the Offer;
- (b) if the Deposited Shares have not been paid for by Alamos within three business days after having been taken up;
- (c) at any time before the expiration of ten days from the date upon which either:
  - (i) a notice of change relating to a change that has occurred in the information contained in the Offer or the Circular, as amended from time to time, that would reasonably be expected to affect the decision of a Shareholder to accept or reject the Offer (other than a change that is not within the control of Alamos or of an affiliate of Alamos, unless it is a change in a material fact relating to the Alamos Shares), in the event

that such change occurs before the Expiry Time or after the Expiry Time but before the expiry of all rights of withdrawal in respect of the Offer; or

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- (ii) a notice of variation concerning a variation in the terms of the Offer (other than a variation consisting solely of an increase in the consideration offered for the Common Shares where the Expiry Time is not extended for more than ten days, or a variation consisting solely of a waiver of a condition of the Offer),

is mailed, delivered or otherwise properly communicated to the Depositary and Information Agent (subject to abridgement of that period pursuant to such order or orders or other forms of relief as may be granted by applicable courts or securities regulatory authorities) and only if such Deposited Shares have not been taken up by Alamos in advance of the receipt of such communication by the Depositary and Information Agent; or

- (d) at any time after 60 days from the commencement of the Offer, provided that the Deposited Shares have not been taken up by Alamos prior to the receipt by the Depositary and Information Agent of the notice of withdrawal with respect to such Deposited Shares.

Withdrawals of Deposited Shares must be effected by notice of withdrawal made by or on behalf of the depositing Shareholder and must be actually received by the Depositary and Information Agent at the place of deposit before such Deposited Shares are taken up and paid for. Notice of withdrawal: (a) must be made by a method, including facsimile transmission, that provides the Depositary and Information Agent with a written or printed copy, (b) must be signed by or on behalf of the person who signed the Letter of Transmittal (or Notice of Guaranteed Delivery) accompanying the Deposited Shares that are to be withdrawn, (c) must specify such person's name, the number of Deposited Shares to be withdrawn, the name of the registered holder and the certificate number shown on each certificate representing the Deposited Shares to be withdrawn, and (d) must be actually received by the Depositary and Information Agent at the place of deposit of the applicable Deposited Shares (or Notice of Guaranteed Delivery in respect thereon). Any signature in a notice of withdrawal must be guaranteed by an Eligible Institution in the same manner as in a Letter of Transmittal (as described in the instructions and rules set out therein), except in the case of Common Shares deposited for the account of an Eligible Institution.

Alternatively, if Common Shares have been deposited pursuant to the procedures for book-entry transfer, as set out under Section 3 of the Offer, "Manner of Acceptance – Acceptance by Book-Entry Transfer", any notice of withdrawal must specify the name and number of the account at CDS or DTC, as applicable, to be credited with the withdrawn Common Shares and otherwise comply with the procedures of CDS or DTC, as applicable.

All questions as to the validity (including, without limitation, timely receipt) and form of notices of withdrawal will be determined by Alamos in its sole discretion, and such determination will be final and binding. There will be no obligation on the Depositary and Information Agent, Alamos or any other person to provide notice of any defect or irregularity in any notice of withdrawal and no such person will incur any liability for failure to give such notice.

Wherever the Offer calls for documents to be delivered by or on behalf of Shareholders to a particular office of the Depositary and Information Agent, those documents will not be considered delivered unless and until they have been physically received at the particular office at the address listed in the Letter of Transmittal or Notice of Guaranteed Delivery, as applicable. Withdrawals may not be rescinded and any Deposited Shares properly withdrawn will be deemed not validly deposited for the purposes of the Offer but may be re-deposited at any subsequent time prior to the Expiry Time by following any of the procedures described in Section 3 of the Offer, "Manner of Acceptance".

If Alamos extends the period of time during which the Offer is open, is delayed in taking up or paying for Deposited Shares or is unable to take up or pay for Deposited Shares for any reason, then, without prejudice to Alamos' other rights, Deposited Shares may, subject to applicable Laws, be retained by the Depositary and Information Agent on behalf of Alamos and such Deposited Shares may not be withdrawn except to the extent that depositing Shareholders are entitled to withdrawal rights as set forth in this Section 8 or pursuant to applicable Laws.

**A withdrawal of Deposited Shares can only be accomplished in accordance with the foregoing procedures. The withdrawal will take effect only upon actual receipt by the Depositary and Information Agent of the properly completed and executed written notice of withdrawal.**

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**Persons whose Common Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should contact such nominee for assistance if they wish to accept the Offer in order to take the necessary steps to be able to deposit such Common Shares under the Offer. Intermediaries likely have established tendering cut-off times that are up to 48 hours prior to the Expiry Time. Shareholders must instruct their brokers or other intermediaries promptly if they wish to tender.**

Notwithstanding the provisions of Rule 14d-7(a)(2) under the U.S. Exchange Act relating to the ability of a purchaser in a tender offer to terminate withdrawal rights during a Subsequent Offering Period, Alamos will permit withdrawal of tendered Common Shares during a Subsequent Offering Period, if there is one.

In addition to the foregoing rights of withdrawal, Shareholders in certain provinces and territories of Canada are entitled to statutory rights of rescission or to damages, or both, in certain circumstances. See Section 25 of the Circular, "Statutory Rights".

## **9. Notices and Delivery**

Without limiting any other lawful means of giving notice, any notice to be given by Alamos or the Depositary and Information Agent pursuant to the Offer will be deemed to have been properly given if it is mailed by first class mail, postage prepaid, to the registered Shareholders at their addresses as shown on the registers maintained by or on behalf of Aurizon and will be deemed to have been received on the first business day following the date of mailing. For this purpose, "business day" means any business day other than a Saturday or Sunday or statutory holiday in the jurisdiction to which the notice is mailed. These provisions apply notwithstanding any accidental omission to give notice to any one or more Shareholders and notwithstanding any interruption of mail service in any relevant jurisdiction following mailing. In the event of any interruption of mail service following mailing, Alamos intends to make reasonable efforts to disseminate the notice by other means, such as publication.

Except as otherwise required or permitted by applicable Law, if post offices in Canada are not open for the deposit of mail, any notice that Alamos or the Depositary and Information Agent may give or cause to be given to Shareholders under the Offer will be deemed to have been properly given and to have been received by Shareholders if (i) it is given to the TSX and the NYSE MKT for dissemination through their respective facilities, (ii) it is published once in the National Edition of *The Globe and Mail* or *The National Post*, together with *The Wall Street Journal* or *The New York Times*, and in *La Presse* or (iii) it is given to the Canada Newswire Service and the Dow Jones News Service for dissemination through their respective facilities.

The Offer and Circular and accompanying Letter of Transmittal and Notice of Guaranteed Delivery will be mailed to registered Shareholders by first class mail, postage prepaid, or made available in such other manner as is permitted by applicable Laws and Alamos will use its reasonable efforts to furnish such documents to brokers, investment advisors, banks and similar persons whose names, or the names of whose nominees, appear in the registers maintained by or on behalf of Aurizon in respect of the Common Shares or, if security position listings are available, who are listed as participants in a clearing agency's security position listing, for subsequent transmittal to the beneficial owners of Common Shares where such listings are received.

These Shareholder materials are being sent to both registered and non-registered owners of securities of Aurizon. If you are a non-registered owner, and Alamos or its agent has sent these materials directly to you, Alamos believes your name and address and information about your holdings of securities of Aurizon have been obtained in accordance with applicable regulatory requirements from the intermediary holding such securities on your behalf.

**Wherever the Offer calls for documents to be delivered to the Depositary and Information Agent, such documents will not be considered delivered unless and until they have been physically received by the Depositary and Information Agent at its offices in Toronto, Ontario specified in the Letter of Transmittal or Notice of Guaranteed Delivery, as applicable. Wherever the Offer calls for documents to be delivered by or on behalf of Shareholders to a particular office of the Depositary and Information Agent, those documents will not be considered delivered unless and until they have been physically received at the particular office at the address listed in the Letter of Transmittal or Notice of Guaranteed Delivery, as applicable.**

## **10. Changes in Capitalization, Dividends, Distributions and Liens**

If, on or after the date of the Offer, Aurizon should divide, combine, reclassify, consolidate, convert or otherwise change any of the Common Shares or its capitalization, issue any Common Shares, or issue, grant or sell any securities convertible into Common Shares, or disclose that it has taken or intends to take any such action, then Alamos may, in its sole discretion and without prejudice to its rights under Section 4 of the Offer, “Conditions of the Offer”, make such adjustments as it considers appropriate to the purchase price and other terms of the Offer

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(including, without limitation, the type of securities offered to be purchased and the amount payable therefor) to reflect such division, combination, reclassification, consolidation, conversion, issuance, grant, sale or other change. See Section 5 of the Offer, “Extension, Variation or Change of the Offer”.

Common Shares and any Distributions acquired under the Offer shall be transferred by the Shareholders and acquired by Alamos free and clear of all liens, restrictions, charges, encumbrances, claims and equities and together with all rights and benefits arising therefrom, including, without limitation, the right to any and all dividends, distributions, payments, securities, property, rights, assets or other interests which may be accrued, declared, paid, issued, distributed, made or transferred on or after the date of the Offer on or in respect of the Common Shares, whether or not separated from the Common Shares.

If, on or after the date of the Offer, Aurizon should declare, set aside or pay any dividend or declare, make or pay any other distribution or payment on or declare, allot, reserve or issue any securities, rights or other interests with respect to any Common Shares, which is or are payable or distributable to Shareholders on a record date prior to the date of transfer into the name of Alamos or its nominee or transferee on the securities register maintained by or on behalf of Aurizon in respect of Common Shares accepted for purchase under the Offer, then (and without prejudice to Alamos’ rights under Section 4 of the Offer, “Conditions of the Offer”): (a) in the case of any such cash dividends, distributions or payments that in an aggregate amount do not exceed the cash consideration per Common Share payable, the amount of the dividends, distributions or payments will be received and held by the depositing Shareholder for the account of Alamos until Alamos pays for such Common Shares and the purchase price per Common Share payable by Alamos pursuant to the Offer will be reduced by the amount of any such dividend, distribution or payment, and (b) in the case of any such cash dividends, distributions or payments that in an aggregate amount exceeds the cash consideration per Common Share payable by Alamos pursuant to the Offer, or in the case of any non-cash dividend, distribution, payment, securities, property, rights, assets or other interests, the whole of any such dividend, distribution or payment of securities, property, rights, assets or other interests (and not simply the portion that exceeds the purchase price per Common Share payable by Alamos under the Offer) will be received and held by the depositing Shareholder for the account of Alamos and will be promptly remitted and transferred by the depositing Shareholder to the Depositary and Information Agent for the account of Alamos, accompanied by appropriate documentation of transfer. Pending such remittance, Alamos will be entitled to all rights and privileges as the owner of any such dividend, distribution or payment of securities, property, rights, assets or other interests and may withhold the entire purchase price payable by Alamos under the Offer or deduct from the consideration payable by Alamos under the Offer the amount or value thereof, as determined by Alamos in its sole discretion.

The declaration or payment of any such dividend or distribution may have tax consequences not described in Section 19 of the Circular, “Principal Canadian Federal Income Tax Considerations” or in Section 20 of the Circular, “U.S. Federal Income Tax Considerations”. Shareholders should consult their own tax advisors in respect of any such dividend or distribution.

## **11. Mail Service Interruption**

Notwithstanding the provisions of the Offer and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, cheques, certificates and any other relevant documents will not be mailed if Alamos determines that delivery thereof by mail may be delayed. Persons entitled to cheques, certificates or any other relevant documents which are not mailed for the foregoing reason may take delivery thereof at the office of the Depositary and Information Agent to which the deposited certificates for Common Shares were delivered until such time as Alamos has determined that delivery by mail will no longer be delayed. Alamos will provide notice of any such determination not to mail made under this Section 11 as soon as reasonably practicable after the making of such determination and in accordance with Section 9 of the Offer, “Notices and Delivery”. Notwithstanding Section 6 of the Offer, “Take-up of and Payment for Deposited Common Shares”, cheques, certificates and any other relevant documents not mailed for the foregoing reason will be conclusively deemed to have been delivered on the first day upon which they are available for delivery to the depositing Shareholder at the appropriate office of the Depositary and Information Agent.



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## 12. Other Terms of the Offer

Alamos reserves the right to transfer or assign, in whole or in part from time to time, to one or more of its entities, the right to purchase all or any portion of the Common Shares deposited pursuant to the Offer, but any such transfer or assignment will not relieve Alamos of its obligations under the Offer and will in no way prejudice the rights of persons depositing Common Shares to receive prompt payment for Common Shares validly deposited and taken up pursuant to the Offer.

The Offer and all contracts resulting from acceptance of the Offer will be governed by and construed in accordance with the Laws of the Province of Ontario and the Laws of Canada applicable therein. Each party to an agreement resulting from the acceptance of the Offer unconditionally and irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

No broker, dealer or other person (including the Dealer Manager, any member of any soliciting dealer group formed by the Dealer Manager or the Depositary and Information Agent) has been authorized to give any information or to make any representation or warranty on behalf of Alamos or any of its entities in connection with the Offer other than as contained in the Offer and Circular, Letter of Transmittal and Notice of Guaranteed Delivery and, if any such information, representation or warranty is given or made, it must not be relied upon as having been authorized.

**Alamos, in its sole discretion, will be entitled to make a final and binding determination of all questions relating to the interpretation of the Offer and Circular, Letter of Transmittal and Notice of Guaranteed Delivery, the validity of any acceptance of the Offer and the validity of any withdrawal of Common Shares.**

The provisions of the Circular, Letter of Transmittal and Notice of Guaranteed Delivery accompanying the Offer, including the rules and instructions contained therein, as applicable, are incorporated into and form part of the terms and conditions of the Offer.

Where the Offer provides that the time for the taking of any action, the doing of anything or the end of any period, expires or falls upon a day that is not a business day, the time shall be extended and action may be taken, the thing may be done or the period shall end as the case may be, on the next business day.

The Offer and the accompanying Circular together constitute the take-over bid circular required under Canadian provincial securities legislation with respect to the Offer. Shareholders are urged to refer to the accompanying Circular for additional information relating to the Offer.

Dated: January 14, 2013

**ALAMOS GOLD INC.**

(Signed) JOHN A MCCLUSKEY  
President and Chief Executive Officer

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## CIRCULAR

*This Circular is furnished in connection with the accompanying Offer dated January 14, 2013 by Alamos to purchase all of the issued and outstanding Common Shares other than Common Shares held directly or indirectly by Alamos and its affiliates, and including Common Shares that may become outstanding on the exercise of Convertible Securities. The terms and provisions of the Offer are incorporated into and form part of this Circular. Terms defined in the Offer and the Glossary and not otherwise defined in this Circular shall have the respective meanings given thereto in the Offer and the Glossary unless the context otherwise requires. All currency amounts expressed herein, unless otherwise indicated, are in Canadian dollars.*

*Except as otherwise indicated herein, the information concerning Aurizon contained in this Circular has been taken from or is based upon publicly available information filed with the Canadian securities regulators, the SEC and other public sources available as at January 11, 2013. Aurizon has not reviewed the Offer and Circular and has not confirmed the accuracy and completeness of the information in respect of Aurizon contained herein. Neither Alamos nor any person acting jointly or in concert with Alamos nor any of the directors or officers of Alamos or such persons, assumes any responsibility for the accuracy or completeness of such information or any failure by Aurizon to disclose events or facts which may have occurred or which may affect the significance or accuracy of any such information but which are unknown to Alamos or such persons. Except as otherwise indicated herein, Alamos has no means of verifying the accuracy or completeness of any of the information contained herein that is derived from Aurizon's publicly available information or whether there has been any failure by Aurizon to disclose events or facts that may have occurred or may affect the significance or accuracy of any information.*

### 1. Alamos

Alamos was formed by the amalgamation of Alamos Minerals, a company incorporated under the laws of the Province of British Columbia, and National Gold Corporation, a company incorporated under the laws of the Province of Alberta, and continued into the Province of British Columbia under the former *Company Act* (British Columbia) on February 21, 2003, with the resulting amalgamated company continuing under the name "Alamos Gold Inc.". The *Business Corporations Act* (British Columbia) (the "BCBCA") came into force on March 29, 2004, and on July 15, 2004, after obtaining shareholder approval, Alamos altered its Notice of Articles to increase its authorized capital from 1,000,000,000 common shares without par value to an unlimited number of common shares without par value and adopted new articles that take advantage of certain business flexibilities available under the BCBCA. Alamos is a public corporation that is listed on the TSX under the symbol "AGI" and has a quoted market value of approximately \$2.0 billion as of the close of trading on January 9, 2013. Alamos has applied to list the Alamos Shares on the NYSE under the symbol "AGI". Alamos is also quoted on the OTC under the symbol "AGIGF". Alamos expects that the Alamos Shares will cease being quoted on the OTC upon its listing on the NYSE.

Alamos is a gold mining and exploration company engaged in exploration, mine development, and the mining and extraction of precious metals, primarily gold. Alamos' operating asset is the Mulatos mine (the "**Mulatos Mine**") which was acquired in February 2003, and is located within the 30,536-hectare Salamandra Concessions in the state of Sonora, Mexico. In January 2010, Alamos acquired the development-stage Ağı Dağı and Kirazlı projects (the "**Ağı Dağı Project**" and the "**Kirazlı Project**", respectively) in the Biga district of northwestern Turkey. In 2011, Alamos discovered the Çamyurt project, located approximately three kilometers from the Ağı Dağı Project, which Alamos believes has the potential to become a stand-alone mining project.

Since the start of operations at the Mulatos Mine in Mexico in 2006, Alamos has focused on continued operating improvements and conducting exploration programs to increase reserves and resources. In 2012, the Mulatos Mine produced 200,000 ounces of gold. This represents the fifth consecutive year in which the Mulatos Mine has produced in excess of 150,000 ounces of gold. In the fiscal year ended December 31, 2012, Alamos generated revenues of \$329.4 million, compared to \$227.4 million in 2011. As at December 31, 2012, Alamos had in excess of \$350 million in cash and cash equivalents and short-term investments.

As of the date hereof, Alamos owns 26,507,283 Common Shares.

In the past five years, Alamos has not been convicted in a criminal proceeding and has not been a party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree

or final order enjoining Alamos from future violations of, or prohibiting activities subject to, U.S. federal or state securities laws, or a finding of any violation of U.S. federal or state securities laws.

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Certain information concerning the directors and executive officers of Alamos is attached as Schedule “E” to this Offer and Circular.

In connection with the listing of the Alamos Shares on the NYSE and the filing of the Registration Statement, Alamos will become subject to the reporting requirements of the U.S. Exchange Act and in accordance therewith will file reports and other information with the SEC. Under a multi-jurisdictional disclosure system adopted by U.S. and Canadian securities regulators, such reports and other information may be prepared in accordance with the disclosure requirements of Canada, which requirements are different from those of the United States. Alamos will be exempt from the rules under the U.S. Exchange Act prescribing the furnishing and content of proxy statements, and its officers, directors and principal shareholders will be exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the U.S. Exchange Act. Reports and other information filed by Alamos may be inspected and copied at the public reference facilities maintained by the SEC at Room 1580, 100 F Street, NE, Washington, D.C. 20549. Copies of such material can also be obtained at prescribed rates from the Public Reference Section of the SEC at 100 F Street, NE, Washington, D.C. 20549. Prospective investors may call the SEC at 1-800-SEC-0330 for further information regarding the public reference facilities or visit the SEC’s website at [www.sec.gov](http://www.sec.gov).

The Registration Statement filed with the SEC concerning the Offer, including the exhibits, and Alamos’ reports and other information filed under the U.S. Exchange Act are available to the public free of charge at the SEC’s website at [www.sec.gov](http://www.sec.gov).

### ***Recent Developments***

#### **The Kirazlı Project and the Ağı Dağı Project**

On August 9, 2012, Alamos filed with the Canadian securities regulatory authorities a technical report pursuant to NI 43-101F1 with respect to the Kirazlı Project and the Ağı Dağı Project entitled “NI 43-101 Technical Report Kirazlı & Ağı Dağı Gold Project” dated July 31, 2012 with an effective date of June 30, 2012. For more information regarding the Kirazlı Project and the Ağı Dağı Project, see Schedule “A”, “Description of the Kirazlı & Ağı Dağı Gold Project”.

#### **The Mulatos Mine**

On January 14, 2013, Alamos filed with the Canadian securities regulatory authorities a technical report pursuant to NI 43-101F1 with respect to the Mulatos Mine entitled “Minas de Oro Nacional, S.A. de C.V. – Mulatos Project – Technical Report Update (2012)” dated December 21, 2012. For more information regarding the Mulatos Mine, see Schedule “B”, “Description of the Mulatos Mine”.

#### **Alamos Q4 2012 Production Results and 2013 Guidance**

On January 8, 2013, Alamos issued a press release summarizing fourth quarter and full year 2012 production results from the Mulatos Mine as well as operating, development and exploration plans for 2013. In the fourth quarter of 2012, the Mulatos Mine produced a record 67,800 ounces of gold, 41% higher than the previous quarterly production record of 48,200 ounces. Full year 2012 gold production was 200,000 ounces, achieving production guidance.

Gold production at the Mulatos Mine for 2013 is expected to be between 180,000 and 200,000 ounces at a cash operating cost (exclusive of the 5% royalty) between \$415 and \$435 per ounce of gold sold. Capital spending in Mexico in 2013 is budgeted at approximately \$40.7 million, while development spending in Turkey is forecast to be approximately \$69.3 million. Total exploration spending is budgeted to be \$21.6 million, split evenly between Mexico and Turkey.

## **2. Aurizon**

Aurizon is a corporation organized under the laws of the Province of British Columbia. Aurizon was incorporated on April 18, 1988 under the *Company Act* (British Columbia). Effective August 24, 1988, Aurizon acquired all of the assets and assumed all of the liabilities of two predecessor companies, D’Or Val Mines Ltd. and Perron Gold Mines Ltd., pursuant to a statutory plan of arrangement. On March 14, 2005, Aurizon transitioned under the BCBCA. On May 15, 2007, Aurizon altered its Notice of Articles to increase its

authorized capital to an unlimited number of Common Shares, and to remove the “Pre-existing Company Provisions” which were part of Aurizon’s Notice of Articles by virtue of the regulations under the BCBCA. As a result of removal of the “Pre-

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existing Company Provisions” the threshold for the number of votes required to pass a special resolution was decreased from 75% to two-thirds of the votes cast in person or by proxy at a meeting of Shareholders. Aurizon adopted new articles on May 15, 2007 and again on May 10, 2012. Aurizon is a public corporation that is listed on the TSX under the symbol “ARZ” and on the NYSE MKT under the symbol “AZK” and has a quoted market value on the TSX and the NYSE MKT of approximately \$548 million and US\$558 million, respectively, as of the close of trading on January 9, 2013.

Aurizon is a Canadian-based gold producer with operations and development activities in the Abitibi region of northwestern Québec. Since 1988, Aurizon has been involved in the acquisition, exploration, development and operation of a number of gold properties in North America. Aurizon owns 100% of the producing Casa Berardi gold mine (the “**Casa Berardi Gold Mine**”) and also owns a 100% interest in the Joanna Gold development project, a development-stage gold property on which a feasibility study for the Hosco deposit was completed in 2012. In addition, Aurizon has staked mineral claims, and/or entered into agreements with junior exploration companies to acquire interests in several early stage exploration projects.

Aurizon’s production from the Casa Berardi Gold Mine in 2011, 2010 and 2009 were 163,845 ounces, 141,116 ounces and 159,261 ounces, respectively. Aurizon’s principal product is gold, with gold sales currently accounting for all of Aurizon’s revenues.

The head and registered office of Aurizon is located at Suite 1120, Cathedral Place, 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2, Canada, tel: (604) 687-6600.

For further information regarding Aurizon, refer to Aurizon’s filings with the Canadian securities regulatory authorities which may be obtained through the SEDAR website at [www.sedar.com](http://www.sedar.com). Aurizon is also an SEC registrant and accordingly files or furnishes to the SEC certain documents, which are available at [www.sec.gov](http://www.sec.gov).

### ***Previous Distributions of Common Shares***

On April 29, 2009, Aurizon completed a bought deal equity financing of 9,708,000 Common Shares at a purchase price of \$5.15 per Common Share for aggregate gross proceeds of \$50,000,000. With the exception of the foregoing, to the knowledge of Alamos after reasonable inquiry, there have been no distributions of Common Shares during the 5 years preceding the Offer.

### **3. Background to the Offer**

The management and board of directors of Alamos regularly review the activities of other mining companies with the objective of identifying strategic alternatives and other opportunities, including business combination transactions and other commercial transactions that may support Alamos’ corporate strategy and enhance shareholder value. As part of this ongoing review process, in the third quarter of 2008, Alamos identified the strategic opportunity presented by a merger with Aurizon.

In the third quarter of 2008, the President and Chief Executive Officer of Alamos, Mr. John A. McCluskey, contacted, Mr. David Hall, who at that time was the President and Chief Executive Officer of Aurizon, in an attempt to initiate a dialogue to determine whether the parties could devise a mutually beneficial transaction at that time.

In November of 2008, Alamos and Aurizon entered into a mutual confidentiality and standstill agreement (the “**2008 Confidentiality Agreement**”). Aurizon did not however provide Alamos with access to any confidential information regarding Aurizon or its assets. A site visit to the Casa Berardi Gold Mine was not arranged. As a result, Alamos was unable to complete its review of Aurizon’s confidential information. The 2008 Confidentiality Agreement expired in November of 2010.

In September of 2010, Mr. McCluskey once again contacted Mr. Hall, in an attempt to advance discussions regarding a consensual transaction between Aurizon and Alamos. Mr. Hall indicated at the time that Aurizon did not wish to pursue discussions with Alamos regarding a potential business combination transaction.

In August of 2011, Mr. McCluskey once again contacted Mr. Hall, in an attempt to advance discussions regarding a consensual transaction between Aurizon and Alamos.

On September 1, 2011, Mr. Hall wrote to Mr. McCluskey indicating that Aurizon did not wish to pursue discussions with Alamos regarding a potential business combination transaction.



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Later on September 1, 2011, Mr. McCluskey wrote in response to Mr. Hall reiterating the strategic merits of merging the two companies, and proposing further dialogue to that end. No further response was received from Aurizon.

In October of 2012, the board of directors and certain members of management of Alamos discussed the merits, risks and opportunities associated with an acquisition of Aurizon and the potential value to be created for Alamos shareholders. Mr. McCluskey also reviewed Aurizon's past unwillingness to engage in meaningful discussions despite Alamos' repeated expressions of its desire to proceed with a negotiated transaction. Following this meeting, Alamos consulted with its external financial and legal advisors regarding a potential unsolicited offer for Aurizon.

Through a series of resolutions passed on November 1, 2012, November 15, 2012 and December 4, 2012, the board of directors of Alamos authorized management to acquire Common Shares on the TSX for investment purposes if such Common Shares were obtainable under normal market conditions. Since November 1, 2012, Alamos has purchased 3,000,000 Common Shares under normal market conditions through the TSX, all of which Common Shares Alamos currently holds.

On January 9, 2013, the board of directors of Alamos met to discuss in further detail the process and merits of the proposed transaction with Aurizon, and based on the proceedings to date, the board of directors of Alamos, after consulting with management of Alamos as well as external financial and legal advisors, indicated that they were in favour of Alamos taking its offer directly to the Shareholders, and approved, *inter alia*, the making of the Offer.

On January 10, January 11 and January 13, 2013, Alamos entered into the Share Purchase Agreements (as defined herein) with the Vendors (as defined herein) in respect of their respective shareholdings in Aurizon. In aggregate, Alamos acquired 23,507,283 Common Shares through the Share Purchase Agreements, representing approximately 13.4% of the issued and outstanding Common Shares (on a fully diluted basis). As at the date of the Offer, Alamos owns 26,507,283 Common Shares, representing over 16% of the issued and outstanding Common Shares.

On January 13, 2013, Mr. McCluskey notified Mr. Hall that Alamos believed that its proposal was compelling for Shareholders, and that Alamos had decided to make the Offer directly to them.

The intention to make the Offer was announced by Alamos by way of press release prior to the opening of the TSX on January 14, 2013. Also on January 14, 2013, an advertisement containing a summary of the Offer was published in *The Globe and Mail* and *La Presse*, the Offer and the Circular was delivered to Aurizon, and the Offer commenced.

#### **4. Reasons to Accept the Offer**

Shareholders should consider the following factors in making a decision to accept the Offer:

**Significant Premium.** Based on the closing price of \$16.60 per Alamos Share on the TSX on January 9, 2013, the consideration offered under the Offer has a value of \$4.65 per Common Share, representing a premium of approximately 40% and 39%, respectively, over the closing price of \$3.33 and US\$3.39 per Common Share on the TSX and NYSE MKT on January 9, 2013. Based on the volume-weighted average price of Alamos Shares on the TSX for the 20 trading days ended January 9, 2013, the Offer represents a premium of approximately 37% over the volume-weighted average price of the Common Shares on the TSX and NYSE MKT for the same period.

**Creation of a Leading Intermediate Gold Company.** The combination of Alamos and Aurizon will immediately create a new leading intermediate gold mining company with increased diversification, scale and liquidity. The combined entity is anticipated to have an estimated market capitalization of approximately US\$2.6 billion, with enhanced visibility among the international investor community as well as continued exposure to the North American capital markets through listings on both the TSX and the NYSE. The combined company, with two steady producing, low cost mines located in stable jurisdictions, will be strongly positioned for growth.



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**Established, Well-funded, Shareholder Focused Team in Place.** Alamos offers Shareholders the benefits of both the project development and operation expertise of the Alamos management team as well as access to pro forma combined estimated cash and cash equivalents and short-term investments of approximately US\$209.7 million with which to advance projects without any near-term dilution. Alamos will continue to be guided by a board of directors and management team with extensive project development, acquisition, operation and other relevant industry experience necessary to advance projects from the exploration stage through production and to create shareholder value by doing so.

**Financial Capability to Secure Future of Aurizon's Assets.** Alamos's balance sheet and operating cash flow will be available to support the strong growth profile of the combined company without an expectation of a need for any equity capital raisings. Alamos will remain unhedged and debt-free. Alamos is also well placed to take advantage of the exploration potential of the combined entity to unlock the upside potential for all shareholders. The Offer provides a much needed growth profile for Shareholders. Alamos expects to continue its strong dividend policy.

**Exposure to Other Attractive Mineral Projects.** Shareholders who tender to the Offer will gain exposure to the world-class projects of Alamos, including the producing Mulatos Mine in Mexico, one of the world's most profitable gold mines. Alamos also owns a 100% interest in the advanced-stage gold projects - the Ağrı Dağı Project and the Kirazlı Project - in Turkey and has other earlier-stage exploration properties in both Mexico and Turkey. The significant production profile of the combined companies will allow Shareholders who receive Alamos Shares to increase their exposure to the strong gold price environment over the short to mid-term.

**Management Track Record in Developing World-Class Gold Projects.** Alamos has a management team with a solid track record and proven experience in the gold industry. The Alamos management team has demonstrated its ability, via the Mulatos Mine in Mexico, to identify, explore, finance, construct, commission and operate a world-class gold mine. It is also applying this experience to the development of Ağrı Dağı Project and the Kirazlı Project in Turkey, which remain on track and on budget.

**Opportunity for Continued Participation in Aurizon's Assets.** To the extent that Shareholders receive Alamos Shares as part of their consideration under the Offer, they will benefit from any future increases in value associated with the continued exploration and development of Aurizon's portfolio of assets, as well as production at Aurizon's flagship Casa Berardi Gold Mine.

**Opportunity to Elect Consideration.** The Offer provides Shareholders with the opportunity to determine the consideration that they receive under the Offer, either the Cash Alternative or the Share Alternative, subject in each case to pro-rata. The Cash Alternative permits Shareholders to elect to receive up to 100% in cash consideration (subject to pro-rata) in exchange for their Common Shares to lock in the premium offered under the terms of the Offer, while the Share Alternative permits Shareholders to elect to receive up to 100% in Alamos Shares (subject to pro-rata) in exchange for their Common Shares and thereby maintain maximum exposure to the significant upside potential of the combined Alamos and Aurizon company going forward.

**Opportunity to Defer Canadian Taxation on Capital Gains.** To the extent that Shareholders receive Alamos Shares as consideration under the Offer, certain Shareholders will be entitled, depending on the circumstances, to a full or partial deferral of Canadian taxation on capital gains.

## **5. Purpose of the Offer and Alamos' Plans for Aurizon**

### ***Purpose of the Offer***

The purpose of the Offer is to enable Alamos to acquire, on the terms and subject to the conditions of the Offer, all of the issued and outstanding Common Shares (other than Common Shares held directly or indirectly by Alamos and its affiliates and which includes Common Shares which may become outstanding on the exercise, exchange or conversion of Convertible Securities). The effect of the Offer is to give to Shareholders the opportunity to receive, at



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the election of each Shareholder, \$4.65 in cash or 0.2801 of an Alamos Share, in each case, subject to pro-rata as set out herein, for each Common Share tendered to the Offer, representing a premium of approximately 40% over the closing price of \$3.33 per Common Share on the TSX on January 9, 2013.

If the conditions of the Offer are satisfied or waived and Alamos takes up and pays for the Common Shares validly deposited under the Offer and not properly withdrawn, Alamos intends to acquire any Common Shares not deposited under the Offer through a Compulsory Acquisition, if available, or to propose a Subsequent Acquisition Transaction, in each case for consideration per Common Share at least equal in value to and in the same form as the consideration paid by Alamos per Common Share under the Offer. The exact timing and details of any such transaction will depend upon a number of factors, including the number of Common Shares acquired pursuant to the Offer. Although Alamos intends to propose either a Compulsory Acquisition or a Subsequent Acquisition Transaction generally on the terms described herein, it is possible that, as a result of delays in Alamos' ability to effect such a transaction, information subsequently obtained by Alamos, changes in general economic or market conditions or in the business of Aurizon or other currently unforeseen circumstances, such a transaction may not be proposed, may be delayed or abandoned or may be proposed on different terms. Accordingly, Alamos reserves the right not to propose a Compulsory Acquisition or a Subsequent Acquisition Transaction, or to propose a Subsequent Acquisition Transaction on terms other than as described in the Circular. See Section 15 of the Circular, "Acquisition of Common Shares Not Deposited Under the Offer".

### ***Plans for Aurizon***

If the Offer is successful, it is anticipated that the current management of Alamos will manage Aurizon in place of Aurizon's current management, and that the board of directors of Aurizon will be replaced by nominees of Alamos. With the exception of the foregoing, Alamos has not developed any specific proposals with respect to Aurizon or its operations, or any changes in its assets, business strategies, management or personnel following the acquisition of the Common Shares pursuant to the Offer. Alamos believes there is strong cultural and professional compatibility between Aurizon's and Alamos' respective employees and it is Alamos' intention to integrate both teams following its acquisition of Aurizon.

If permitted by applicable Law, subsequent to the completion of the Offer and a Compulsory Acquisition or any Subsequent Acquisition Transaction, if necessary, Alamos intends to delist the Common Shares from the TSX and the NYSE MKT and to cause Aurizon to cease to be a reporting issuer under the securities laws of each of the provinces and territories of Canada in which it has such status and cease to be registered under the U.S. Exchange Act. See Section 18 of the Circular, "Effect of the Offer on the Market for and Listing of Common Shares and Status as a Reporting Issuer".

These plans are based on information currently available to Alamos. Except as otherwise indicated herein, Alamos has so far had an opportunity to review only publicly available information about Aurizon filed with Canadian securities regulatory authorities and the SEC. As a result, the foregoing plans for Alamos' business are of a general nature and may change if more information becomes available.

## **6. Share Purchase Agreements**

*The following is a summary only of the material provisions of the Share Purchase Agreements (as defined herein) and does not purport to be complete and is qualified in its entirety by reference to the Share Purchase Agreements, which will be filed with the Canadian securities regulatory authorities and the SEC and be publicly available under Aurizon's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com) and on the SEC's website at [www.sec.gov](http://www.sec.gov).*

Pursuant to share purchase agreements (the "**Share Purchase Agreements**") entered into between Alamos and certain current and former Shareholders (each, a "**Vendor**"), each Vendor, as investment manager having investment authority over accounts ("**Accounts**") that hold Common Shares (the "**Subject Shares**"), agreed, on behalf of the Accounts, to sell, transfer and assign, and Alamos agreed to purchase, all of each Vendor's right, title and interest in and to the Subject Shares free and clear of all Encumbrances (as defined below).

For the purposes of the Share Purchase Agreements, "Encumbrances" means all liens, charges, encumbrances, hypothecs, pledges, mortgages, security interests of any nature, adverse claims, options, rights of pre-emption, and any other rights of others.



The purchase price (the “**Purchase Price**”) payable by Alamos to each Vendor, on behalf of the Accounts, for the Subject Shares is \$4.65 per Common Share. The Purchase Price was satisfied by the delivery of Alamos Shares (the “**Consideration Shares**”), at an exchange ratio of 0.2801 of a Consideration Share for each Subject Share. The consideration offered under this Offer is at least equal to the consideration paid under the Share Purchase Agreements, on a per share basis, and is in the same form of consideration (Alamos Shares) or, to the extent elected by Shareholders or as a result of any proration, is at least the cash equivalent of such consideration.

The following table sets forth the names of each Vendor, the number of Common Shares sold to Alamos pursuant to such Vendor’ s Share Purchase Agreement, the number of Consideration Shares received by each Vendor and the date on which the transaction occurred.

<b>Vendor</b>	<b>Number of Common Shares sold</b>	<b>Number of Consideration Shares received</b>	<b>Date of transaction</b>
Montrusco Bolton Investments Inc. (“Montrusco”)	6,138,783	1,719,465	January 10, 2013
Van Eck Associates Corporation	5,009,100	1,403,048	January 11, 2013
Dynamic Precious Metals Fund and Dynamic Strategic Gold Class (“Dynamic”)	5,359,400	1,501,167	January 13, 2013
Precious Metals and Minerals Fund, a Series of USAA Mutual Funds Trust (“USAA”)	7,000,000	1,960,700	January 13, 2013

Pursuant to each Vendor’ s Share Purchase Agreement, Alamos agreed that, if at any time in the 12-month period following the date of the Share Purchase Agreement any person or persons acting jointly or in concert acquires all or substantially all of the assets of Aurizon and its subsidiaries or acquires all of the Common Shares (a “Price Protection Transaction”), it would pay to each Vendor the Adjustment Payment (as defined below).

The “Adjustment Payment” will be equal to:

- (i) if Alamos or any of its affiliates or any person acting jointly or in concert with Alamos completes a Price Protection Transaction, an additional amount on account of each Subject Share equal to the amount by which the consideration received by the holders of the Common Shares pursuant to the Price Protection Transaction (the “Transaction Consideration”) exceeds the greater of Cdn.\$4.65 per Common Share and 0.2801 Consideration Share, and
- (ii) if any other person or entity completes a Price Protection Transaction, an additional amount on account of each Subject Share that is equal to 85% (or 100% with respect to USAA’ s Share Purchase Agreement) of the difference between the amount by which the Transaction Consideration exceeds the greater of Cdn.\$4.65 per Common Share and 0.2801 Consideration Share.

Each of Dynamic and Montrusco agreed that, for a period of 12 months following the date of its Share Purchase Agreement, it would not, without the prior written consent of Alamos, which consent may be given on such terms and conditions as Alamos may determine: (i) in any manner acquire, agree to acquire or make any proposal or offer to acquire, directly or indirectly, any unissued or outstanding securities of Aurizon or propose or offer to enter into, directly or indirectly, any amalgamation, plan of arrangement, merger or business combination involving Aurizon and its affiliates or to purchase, directly or indirectly, all or substantially all of the assets of Aurizon and its subsidiaries, taken as a whole; (ii) directly or indirectly “solicit” or participate or join with any person in the “solicitation” of any “proxies” (as such terms are defined in the Securities Act) to vote, or seek to influence any person with respect to the voting of, any voting securities of Aurizon; (iii) otherwise act alone or jointly or in concert with others to seek to control or to influence the management, the board of directors or policies of Aurizon; (iv) solicit, facilitate or encourage any transaction to acquire assets of Aurizon and/or one or more of its subsidiaries representing 20% or more of the consolidated assets or contributing 20% or more of the consolidated revenue of Aurizon and its subsidiaries, taken as a whole, or acquire 20% or more of the Common Shares (an “Acquisition Transaction”) other

than a transaction by Alamos or any of its affiliates or any person acting jointly or in concert with Alamos; (v) enter into, continue or participate in any discussions or negotiations regarding an Acquisition Transaction, or furnish to any other person any information with respect to the business of Aurizon or its properties, operations, prospects or conditions (financial or otherwise) in connection with an Acquisition Transaction or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt of any other person (other than Alamos or any of its affiliates or any person acting jointly or in concert with Alamos) to do or seek to do any of the foregoing; or (vi) advise, assist, encourage or act jointly or in concert with any other person in connection with any of the foregoing, other than Alamos or any of its affiliates or any person acting jointly or in concert with Alamos.

In connection with each Vendor's Consideration Shares, Alamos agreed (i) to prepare and file within 15 days of the closing of each Share Purchase Agreement in one or more Canadian jurisdictions a preliminary prospectus and such other related documents as may be reasonably necessary to be filed in connection with such preliminary prospectus; (ii) as soon as possible after any comments of the applicable securities commissions have been satisfied with respect thereto, to prepare and file a final prospectus; (iii) to use commercially reasonable efforts to cause a receipt to be issued for such final prospectus as soon as possible; and (iv) to take all other steps and proceedings that may be reasonably necessary in order to permit the qualification of the Consideration Shares for distribution by registrants who comply with the relevant provisions of applicable Canadian securities laws.

## **7. Source of Funds**

Alamos' obligation to purchase the Common Shares deposited under the Offer is not subject to any financing condition.

The maximum amount of cash payable under the Offer will be \$305,000,000. Fees and expenses of the Offer are approximately \$10 million. All such funds are available and will be paid from Alamos' cash on hand.

## **8. Summary of Alamos Historical and Pro Forma Financial Information**

The following tables present a summary of certain historical audited consolidated financial information in respect of Alamos as at and for the years ended December 31, 2011 and 2010 and certain historical unaudited interim consolidated financial information in respect of Alamos as at and for the three and nine months ended September 30, 2012. Alamos' financial statements as at and for such periods are incorporated by reference in the Offer and Circular. Copies of Alamos' financial statements and related notes incorporated herein by reference can be found at [www.sedar.com](http://www.sedar.com).

The tables also present Alamos' unaudited pro forma consolidated financial information as at and for the nine months ended September 30, 2012 and for the year ended December 31, 2011 (with respect to the Statement of Comprehensive Income only) after giving effect to Alamos' acquisition of all of the Common Shares pursuant to the Offer. This information is derived from and should be read in conjunction with the financial statements of Alamos and the related notes to those financial statements incorporated by reference herein. The historical financial information for Aurizon as at and for the three- and nine- month periods ended September 30, 2012 and as at and for the years ended December 31, 2011 and 2010 has, for the purposes of the unaudited pro forma consolidated financial statements of Alamos for such periods, been derived from Aurizon's audited and unaudited consolidated financial statements, which can be found at [www.sedar.com](http://www.sedar.com) and [www.sec.gov](http://www.sec.gov). See note 1 of the unaudited pro forma consolidated financial statements attached as Schedule "D" hereto for information as to how the unaudited pro forma consolidated financial statements were derived. The unaudited pro forma consolidated statements of financial position have been prepared from the unaudited consolidated statement of financial position of Alamos as at September 30, 2012 and gives pro forma effect to the acquisition of Aurizon by Alamos as if the transaction occurred on such date. The unaudited pro forma consolidated statements of comprehensive income for the nine-month period ended September 30, 2012

and for the year ended December 31, 2011 have been prepared from the unaudited consolidated statement of comprehensive income of Alamos for the nine months ended September 30, 2012 and from the audited consolidated statement of comprehensive income of Alamos for the year ended December 31, 2011 and gives pro forma effect to the acquisition of Aurizon by Alamos as if the transaction occurred on September 30, 2012 and January 1, 2011, respectively.

In preparing the unaudited pro forma consolidated financial information, management of Alamos has made certain assumptions that affect the amounts reported in the unaudited pro forma consolidated financial information. The summary unaudited pro forma consolidated financial information is not intended to be indicative of the results that would actually have occurred, or the results expected in future periods, had the events reflected herein occurred on the dates indicated. Actual amounts recorded upon consummation of the transaction contemplated by the Offer will differ from the pro forma information presented below. Where possible through the review of publicly available information, the effect of harmonization of accounting policies or practices between Alamos and Aurizon was calculated, where the impact was potentially material and could be reasonably estimated. Any potential synergies that may be realized after consummation of the transaction have been excluded from the unaudited pro forma consolidated financial information. The unaudited pro forma consolidated financial information set forth below is extracted from and should be read in conjunction with the unaudited pro forma consolidated financial statements of Alamos and accompanying notes attached as Schedule "D" to the Offer and Circular.

**Alamos Summary of Financial Information and Pro Forma Financial Information**  
(in millions of US\$)

	Year Ended December 31,			Nine Months Ended September 30,		
			Pro Forma			Pro Forma
	2010	2011	2011	2011	2012	2012
Statement of Comprehensive Income Data						
Revenues	\$189,272	\$227,364	\$490,314	\$156,231	\$222,426	\$388,861
Earnings from operations	\$80,055	\$106,238	\$124,275	\$70,515	\$110,802	\$110,580
Earnings for the period	\$63,795	\$60,081	\$64,665	\$38,787	\$80,050	\$81,051
Comprehensive income	\$62,463	\$60,333	\$64,143	\$38,630	\$79,160	\$79,597
Ratio of earnings to fixed charges	\$-(1)	\$-(1)	\$-(1)	\$-(1)	\$-(1)	\$-(1)

Note:

(1) There were no fixed charges during the reported period.

	As at				
	December 31,		As at September 30,		
	2010	2011	2011	2012	Pro Forma 2012
Balance Sheet Data					
Cash and cash equivalents	\$146,334	\$169,471	\$153,551	\$287,042	\$179,860
Short-term investments	\$41,846	\$53,088	\$54,056	\$29,869	\$29,869
Other current assets	\$44,584	\$52,083	\$72,063	\$61,546	\$93,445
Property, plant and equipment and other non-current assets	\$273,672	\$324,582	\$297,646	\$328,279	\$1,192,294
	\$506,436	\$599,224	\$577,316	\$706,736	\$1,495,468
Current liabilities	\$18,194	\$23,512	\$28,652	\$39,897	\$68,454

Non-current liabilities	\$35,113	\$42,162	\$40,093	\$49,964	\$337,340
Total shareholders' equity	<u>\$453,129</u>	<u>\$533,550</u>	<u>\$508,571</u>	<u>\$616,875</u>	<u>\$1,089,674</u>
	<u>\$506,436</u>	<u>\$599,224</u>	<u>\$577,316</u>	<u>\$706,736</u>	<u>\$1,495,468</u>



## Comparative Per Share Information

The following table sets forth, for the periods indicated, the basic earnings and diluted earnings, and cash dividends declared per Alamos Share and Common Share, respectively, on a historical basis. The conversion ratio is 0.2801 of a Alamos Share for each Common Share assuming full pro ration.

	Year Ended December 31, 2011			Nine Months Ended September 30, 2012		
	Aurizon Cdn\$/ share	Alamos US\$/ share	Pro Forma Alamos US\$/share	Aurizon Cdn\$/share	Alamos US\$/share	Pro Forma Alamos US\$/share
<b>Per Share Data</b>						
Basic earnings per share	\$0.27	\$0.51	\$0.45	\$0.14	\$0.67	\$0.55
Diluted earnings per share	\$0.27	\$0.51	\$0.44	\$0.14	\$0.66	\$0.55
Dividends declared per share	\$-	\$0.12	\$0.10	\$-	\$0.20	\$0.16
Book value per share	\$1.98	\$4.55	N/A	\$2.15	\$5.16	\$7.40

### 9. Certain Information Concerning Securities of Alamos

#### *Authorized and Outstanding Share Capital*

Alamos is authorized to issue an unlimited number of Alamos Shares without par value. Each Alamos Share is entitled to one vote at meetings of holders of Alamos Shares. As of the date hereof, Alamos has a total of 127,455,788 Alamos Shares issued and outstanding. Alamos Shares are traded on the TSX under the symbol "AGI". Alamos has applied to list the Alamos Shares on the NYSE under the symbol "AGI". Alamos is also quoted on the OTC under the symbol "AGIGF". Alamos expects that the Alamos Shares will cease being quoted on the OTC upon its listing on the NYSE.

All Alamos Shares are of the same class and rank equally as to voting rights, dividends and participation in assets of Alamos on wind-up or dissolution. There are no pre-emptive rights or conversion rights, and no provisions for redemption or purchase for cancellation, surrender, or sinking or purchase funds; however, Alamos' articles provide that Alamos may, if authorized by a resolution of the directors, purchase or otherwise acquire any of its shares at the price and upon the terms specified in such resolution and subject to the BCBCA. Provisions as to creation, modification, amendment or variation of such rights or such provisions are contained in the BCBCA.

#### *Dividends*

On March 4, 2011, Alamos announced that it had increased its semi-annual dividend to \$0.05 per share payable on May 2, 2011 to shareholders of record on April 15, 2011. The semi-annual dividend was increased again to \$0.07 on September 15, 2011, and further increased to \$0.10 per share on February 24, 2012. This represents a 233% increase since the first semi-annual dividend was declared in the first quarter of 2010. In 2012, Alamos paid a total of \$24.0 million in dividends.

Payment of any future dividends will be at the discretion of Alamos' board of directors, after taking into account many factors, including Alamos' operating results, financial condition and current and anticipated cash needs.

Subject to the provisions of the BCBCA, the board of directors of Alamos may declare dividends payable to Alamos' shareholders according to their respective rights and interest in Alamos. Dividends may be paid in money or property or by issuing fully paid Alamos Shares.

Only Shareholders who receive Alamos Shares as consideration under the Offer and beneficially own such Alamos Shares on a dividend record date will be entitled to receive dividends on their Alamos Shares.

### ***Trading Price and Volume of Alamos Shares***

On January 11, 2013, the closing prices of Alamos Shares on the TSX and the OTC were \$16.92 and US\$17.17, respectively. The following table sets forth the reported high and low daily trading prices and the aggregate volume of trading of Alamos Shares on the TSX and the OTC during the periods indicated:

#### Monthly Price Range and Trading Volumes:

	<b>Trading of Alamos Shares on the TSX</b>		
	<b>High (\$)</b>	<b>Low (\$)</b>	<b>Volume (#)</b>
<b>2012</b>			
January	21.00	16.95	11,157,274
February	20.54	18.13	11,832,312
March	18.71	15.79	20,573,401
April	18.78	16.65	6,692,174
May	19.30	15.67	7,361,227
June	20.00	14.07	12,429,284
July	17.11	13.84	10,124,888
August	19.12	15.40	7,494,863
September	19.95	17.66	6,705,657
October	19.96	18.03	6,804,478
November	19.95	18.12	4,429,815
December	18.79	16.98	3,571,732

#### **2013**

January 1 to 11	17.89	16.41	1,986,896
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	<b>Trading of Alamos Shares on the OTC</b>		
	<b>High (US\$)</b>	<b>Low (US\$)</b>	<b>Volume (#)</b>
<b>2012</b>			
January	21.00	16.59	80,695
February	20.57	18.35	130,143
March	18.79	15.95	75,941
April	18.83	16.94	118,918
May	19.53	15.52	137,453
June	19.20	13.73	1,134,103
July	16.81	13.81	69,502
August	19.23	15.52	81,075
September	20.28	18.18	171,911
October	20.26	18.14	150,572
November	19.84	18.24	63,388

December	18.82	17.11	73,260
<b>2013</b>			
January 1 to 11	18.07	16.65	18,850

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Quarterly Price Range and Trading Volumes:

	Trading of Alamos Shares on the TSX		
	High (\$)	Low (\$)	Volume (#)
<b>2011</b>			
January - March	19.97	14.77	32,986,614
April - June	16.44	13.26	28,664,182
July - September	20.15	14.33	37,717,692
October - December	19.04	14.34	28,078,812
<b>2012</b>			
January - March	21.00	15.79	43,562,987
April - June	20.00	14.07	26,482,685
July - September	19.95	13.84	24,325,408
October - December	19.96	16.98	14,806,025
<b>2013</b>			
January 1 - January 11	17.89	16.41	1,986,897

	Trading of Alamos Shares on the OTC		
	High (US\$)	Low (US\$)	Volume (#)
<b>2011</b>			
January - March	19.56	14.89	1,025,095
April - June	17.04	13.63	924,258
July - September	20.06	13.98	896,080
October - December	19.07	13.50	548,829
<b>2012</b>			
January - March	21.00	15.95	286,779
April - June	19.53	13.73	1,390,474
July - September	20.28	13.81	322,488
October - December	20.26	17.11	287,220
<b>2013</b>			
January 1 - January 11	18.07	16.65	18,850

***Prior Sales of Alamos Shares***

For the 12-month period prior to the date hereof, Alamos has issued or granted Alamos Shares and securities convertible into Alamos Shares listed in the table set forth below:

Date Issued or Granted	Security	Price Per Security (\$)	Number (#)
January 3, 2012	Alamos Shares	14.58	40,000
January 4, 2012	Alamos Shares	14.05	1,200
January 11, 2012	Alamos Shares	13.84	44,000
January 17, 2012	Alamos Shares	14.05	2,400
January 20, 2012	Alamos Shares	7.84	600
January 23, 2012	Alamos Shares	9.83	1,000
January 25, 2012	Alamos Shares	7.84	5,000

January 26, 2012	Alamos Shares	12.84	145,500
January 27, 2012	Alamos Shares	13.07	88,400
January 30, 2012	Alamos Shares	9.45	139,500
January 31, 2012	Alamos Shares	13.39	115,900
February 2, 2012	Alamos Shares	7.75	130,000
February 6, 2012	Alamos Shares	14.92	10,000

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February 9, 2012	Alamos Shares	7.84	7,500
March 8, 2012	Alamos Shares	7.29	100,000
March 16, 2012	Alamos Shares	7.29	100,000
March 29, 2012	Alamos Shares	7.29	35,000
April 2, 2012	Alamos Shares	14.92	10,000
April 4, 2012	Alamos Shares	7.29	140,000
April 13, 2012	Alamos Shares	9.80	2,000
April 16, 2012	Alamos Shares	14.05	1,800
May 3, 2012	Alamos Shares	14.34	35,000
May 24, 2012	Alamos Shares	10.99	195,100
June 1, 2012	Alamos Shares	13.62	99,800
June 4, 2012	Alamos Shares	14.05	6,000
June 6, 2012	Alamos Shares	12.46	18,000
July 30, 2012	Stock options	16.30	840,000
August 7, 2012	Alamos Shares	9.80	9,000
August 9, 2012	Alamos Shares	9.80	9,000
August 13, 2012	Alamos Shares	14.05	1,800
August 15, 2012	Alamos Shares	9.83	5,500
August 21, 2012	Alamos Shares	11.59	105,100
August 22, 2012	Alamos Shares	14.24	3,000
August 23, 2012	Alamos Shares	12.25	110,000
August 24, 2012	Alamos Shares	11.85	105,500
August 31, 2012	Alamos Shares	14.05	6,000
September 6, 2012	Alamos Shares	14.92	10,000
September 7, 2012	Alamos Shares	14.22	53,000
September 14, 2012	Alamos Shares	14.92	52,300
September 18, 2012	Alamos Shares	14.21	54,100
September 19, 2012	Alamos Shares	14.55	66,400
September 20, 2012	Alamos Shares	14.67	87,200
September 21, 2012	Alamos Shares	14.24	40,000
September 24, 2012	Alamos Shares	14.05	600
September 25, 2012	Alamos Shares	14.24	5,500
September 28, 2012	Alamos Shares	14.58	34,500
October 1, 2012	Alamos Shares	15.41	40,000
October 4, 2012	Alamos Shares	15.66	29,500
October 5, 2012	Alamos Shares	14.26	36,000
October 9, 2012	Alamos Shares	14.05	3,600
October 15, 2012	Alamos Shares	14.24	12,000
October 30, 2012	Alamos Shares	12.63	22,100
November 1, 2012	Alamos Shares	14.05	3,000
November 9, 2012	Alamos Shares	14.58	30,800
November 12, 2012	Alamos Shares	14.47	14,200
November 19, 2012	Alamos Shares	14.92	15,000
November 29, 2012	Alamos Shares	14.92	30,000
November 30, 2012	Alamos Shares	14.92	20,000
January 10, 2013	Alamos Shares	16.60	1,719,465
January 11, 2013	Alamos Shares	16.60	1,403,048
January 13, 2013	Alamos Shares	16.60	3,461,867



## ***Consolidated Capitalization of Alamos***

The following table sets forth Alamos' consolidated capitalization as at September 30, 2012, the date of Alamos' most recent unaudited condensed interim consolidated financial statements, and further adjusted to give effect to the Offer. The table should be read in conjunction with the unaudited condensed interim consolidated financial statements of Alamos as at and for the three and nine months ended September 30, 2012, including the notes thereto, and management's discussion and analysis thereof and the unaudited pro forma consolidated financial statements contained in or incorporated by reference in the Offer and Circular.

	As at September 30, 2012	As at September 30, 2012 after giving effect to the Offer
	(All dollar amounts in thousands of U.S. dollars)	
Alamos share capital	388,606	871,571
Alamos Shares outstanding	120,615,208	148,394,036
Cash and short-term investments	316,911	209,729 (1)(2)
Long-term debt	-	- (2)

(1) Adjusted for estimated transaction costs of the Offer.

(2) Aurizon amounts incorporated are as at September 30, 2012, the date of Aurizon's most recent interim consolidated financial statements.

## **10. Certain Information Concerning Securities of Aurizon**

### ***Authorized and Outstanding Share Capital***

Aurizon is authorized to issue an unlimited number of Common Shares without par value and an unlimited number of preferred shares without par value issuable in series, of which a maximum of 8,050,000 Series "A" Convertible Preferred Shares and 1,135,050 Series "B" Convertible Preferred Shares may be issued. Based on information contained in Aurizon's management's discussion and analysis for the three and nine months ended September 30, 2012 and a press release issued by Aurizon on December 18, 2012, as at December 18, 2012, 164,532,827 Common Shares (175,431,302 Common Shares on a fully diluted basis), and no preferred shares, Series "A" Convertible Preferred Shares or Series "B" Convertible Preferred Shares of Aurizon were issued and outstanding.

Shareholders are entitled to receive notice of and to attend and to cast one vote per Common Share at all meetings of Shareholders. Shareholders, subject to the prior rights, if any, of the holders of any other class of shares of Aurizon, are entitled to receive, on a pro-rata basis, such dividends, if any, in any financial year as and when declared by the board of directors in its sole discretion from funds legally available therefor. In the event of the liquidation, dissolution or winding-up of Aurizon, Shareholders are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of Aurizon, on a pro-rata basis, the net assets of Aurizon after payment of all debts and other liabilities.

The preferred shares are convertible and redeemable on the terms set forth in the articles of Aurizon, are issuable in series and rank in priority to the Common Shares on a winding-up, dissolution or liquidation in respect of a fixed amount determined in accordance with the articles of Aurizon and thereafter the preferred shares are not entitled to any further distribution of the assets of Aurizon. The board of directors may determine the designation, rights, and restrictions of each series of preferred shares, before their issue.

### ***Dividends***

To date, Aurizon has not paid any dividends or made any distributions on its securities. According to publicly available information, there are no restrictions on Aurizon's ability to pay dividends.

### ***Trading Price and Volume of Common Shares***

On January 11, 2013, the closing prices of Common Shares on the TSX and the NYSE MKT were \$3.41 and US\$3.46, respectively.



The following tables set forth the reported high and low daily trading prices and the aggregate volume of trading of the Common Shares on the TSX and the NYSE MKT during the periods indicated:

## Monthly Price Range and Trading Volumes

	Trading of Common Shares on the TSX		
	High (\$)	Low (\$)	Volume (#)
<b>2012</b>			
January	5.70	4.90	4,963,089
February	5.75	5.09	6,588,276
March	5.35	4.35	9,156,264
April	5.44	4.42	5,998,346
May	5.55	3.88	8,073,148
June	5.51	4.40	6,499,992
July	4.84	4.25	4,008,380
August	4.54	3.80	6,762,476
September	5.23	4.03	8,722,876
October	5.18	4.47	6,242,032
November	4.78	3.60	11,088,286
December	3.81	3.15	7,995,345
<b>2013</b>			
January 1 to 11	3.57	3.24	1,846,409

	Trading of Common Shares on the NYSE MKT		
	High (US\$)	Low (US\$)	Volume (#)
<b>2012</b>			
January	5.70	4.86	9,604,971
February	5.77	5.08	11,592,336
March	5.37	4.37	16,526,769
April	5.55	4.45	10,519,616
May	5.57	3.82	14,487,280
June	5.31	4.25	16,888,465
July	4.78	4.13	7,930,014
August	4.59	3.83	9,374,521
September	5.37	4.08	16,305,859
October	5.30	4.49	9,133,496
November	4.81	3.61	8,769,783
December	3.87	3.19	16,442,374
<b>2013</b>			
January 1 to 11	3.63	3.28	4,107,331

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## Quarterly Price Range and Trading Volumes

	<b>Trading of Common Shares on the TSX</b>		
	<b>High (\$)</b>	<b>Low (\$)</b>	<b>Volume (#)</b>
<b>2011</b>			
January - March	7.58	5.90	24,147,486
April - June	7.03	5.04	23,613,953
July - September	7.25	5.22	27,528,636
October - December	6.50	4.66	22,489,994
<b>2012</b>			
January - March	5.75	4.35	20,707,629
April - June	5.55	3.88	20,571,486
July - September	5.23	3.80	19,493,732
October - December	5.18	3.15	25,325,663
<b>2013</b>			
January 1 - January 11	3.57	3.24	1,846,409

	<b>Trading of Common Shares on the NYSE</b>		
	<b>High (US\$)</b>	<b>Low (US\$)</b>	<b>Volume (#)</b>
<b>2011</b>			
January - March	7.77	5.91	41,835,173
April - June	7.35	5.11	44,054,503
July - September	7.25	5.01	52,432,622
October - December	6.46	4.53	36,776,237
<b>2012</b>			
January - March	5.77	4.37	37,724,076
April - June	5.57	3.82	41,895,361
July - September	5.37	3.83	33,610,394
October - December	5.30	3.19	34,345,653
<b>2013</b>			
January 1 - January 11	3.63	3.28	4,107,331

### ***Convertible Securities***

The following information is based on information contained in Aurizon's annual information form for the financial year ended December 31, 2011, as updated to reflect more current information made publicly available by Aurizon as of the date hereof with respect to the foregoing:

#### Common Share Options

Aurizon has a formalized stock option plan for the granting of incentive stock options to the executive officers, senior managers, employees, directors and consultants of Aurizon. On May 10, 2012, the Shareholders approved an amendment to Aurizon's stock option plan to increase the maximum aggregate number of securities reserved for issuance under the stock option plan from 7% to 10% of the issued and outstanding Common Shares at the time of the grant (unless otherwise approved by Shareholders).

During the financial year ended December 31, 2011, Aurizon granted 2,541,500 incentive stock options to purchase an equivalent number of Common Shares at a weighted average exercise price of \$6.11 per Common Share.

As at November 7, 2012, there were 8,936,475 Common Shares underlying unexercised stock options, representing approximately 5.1% of Aurizon's outstanding share capital (on a fully diluted basis), with an average exercise price of \$5.65 per Common Share. On December 18, 2012, Aurizon granted an additional 1,962,000 stock options to acquire an aggregate of 1,962,000 Common Shares at an exercise price of \$3.61 per share. The Common Shares underlying the 1,962,000 stock options granted on December 18, 2012, together with the Common Shares underlying the 8,936,475 unexercised stock options outstanding as at November 7, 2012, represents approximately 6.2% of Aurizon's outstanding share capital.

#### 11. Holdings of Securities of Aurizon

Alamos and its affiliates beneficially own, directly or indirectly, 26,507,283 Common Shares, representing over 16% of the issued and outstanding Common Shares. Aside from the foregoing, none of Alamos, or any directors or officers of Alamos beneficially own, or exercise control or direction over, any Aurizon securities. To the knowledge of Alamos, after reasonable enquiry, no securities of Aurizon are beneficially owned, nor is control or direction exercised over any of such securities, by any associate or affiliate of an insider of Alamos, any insider of Alamos other than a director or officer of Alamos or any person acting jointly or in concert with Alamos.

#### 12. Trading in Securities of Aurizon

During the 12-month period preceding the date of the Offer, Alamos and its directors and officers have made the following purchases of Common Shares, at the respective prices and on the respective dates set out in the following table. For purchases made through facilities of the TSX (i) all such purchases were affected in the normal course, (ii) any broker acting for Alamos in respect of such purchases performed only customary broker functions and received no more than the usual fees or commissions in regard to such purchases, (iii) Alamos and all persons or companies acting on behalf of Alamos did not solicit or arrange for the solicitation of offers to sell Common Shares, except for solicitations by Alamos or members of the Soliciting Dealer Group (as defined herein) pursuant to the Offer, and (iv) to the knowledge of Alamos, no seller of Common Shares (or any person or company acting for such seller) solicits or arranges for the solicitation of offers to buy Common Shares. For purchases made pursuant to the Share Purchase Agreements, the consideration offered under the Offer is at least equal to the consideration paid under the Share Purchase Agreements, on a per share basis, and is in the same form of consideration (Alamos Shares) or, to the extent elected by Shareholders or as a result of any proration, is at least the cash equivalent of such consideration. See Section 6 of the Circular, "Share Purchase Agreements" for a description of the Share Purchase Agreements.

Date	Person	No. of Common Shares	Price per Common Share	Principal Exchange Where Trade Occurred
November 8, 2012	Alamos	30,000	\$4.10	TSX
November 9, 2012	Alamos	200,000	\$4.05	TSX
November 12, 2012	Alamos	120,000	\$4.03	TSX
November 13, 2012	Alamos	50,000	\$4.00	TSX
November 14, 2012	Alamos	300,000	\$3.90	TSX
November 15, 2012	Alamos	230,000	\$3.76	TSX
November 16, 2012	Alamos	100,000	\$3.81	TSX
November 19, 2012	Alamos	95,000	\$3.86	TSX
November 20, 2012	Alamos	110,100	\$3.88	TSX
November 21, 2012	Alamos	264,900	\$3.87	TSX

December 4, 2012	Alamos	106,500	\$3.59	TSX
December 5, 2012	Alamos	114,000	\$3.59	TSX
December 6, 2012	Alamos	579,500	\$3.60	TSX
December 7, 2012	Alamos	363,700	\$3.68	TSX
December 10, 2012	Alamos	112,300	\$3.69	TSX

December 11, 2012	Alamos	49,000	\$3.68	TSX
December 12, 2012	Alamos	175,000	\$3.75	TSX
January 10, 2013	Alamos	6,138,783	\$4.65	N/A
January 11, 2013	Alamos	5,009,100	\$4.65	N/A
January 13, 2013	Alamos	12,359,400	\$4.65	N/A

Other than as set out above, to the knowledge of Alamos, after reasonable enquiry, neither Alamos nor any of its directors or officers, any associate or affiliate of an insider of Alamos, any insider of Alamos other than a director or officer of Alamos or any person acting jointly or in concert with Alamos, purchased or sold any securities of Aurizon during the six-month period preceding the date of the Offer.

No person referred to under this Section 12 will receive any direct or indirect benefit from the consummation of the Offer or from accepting or refusing to accept the Offer, other than the consideration available to any Shareholder who participates in the Offer.

### **13. Commitments to Acquire Common Shares**

Other than pursuant to the Offer, neither Alamos nor, to the knowledge of Alamos, after reasonable enquiry, any of its directors or officers, any associate or affiliate of an insider of Alamos, any insider of Alamos other than a director or officer of Alamos or any person acting jointly or in concert with Alamos, has entered into any agreements, commitments or understandings to acquire any securities of Aurizon.

### **14. Other Material Facts about Aurizon**

As of the date hereof, except as described herein, Alamos has no knowledge of any material fact concerning the securities of Aurizon that has not been generally disclosed by Aurizon, or any other matter that is not disclosed in the Offer and Circular and that has not previously been generally disclosed, and that would reasonably be expected to affect the decision of Shareholders to accept or reject the Offer.

### **15. Acquisition of Common Shares Not Deposited Under the Offer**

It is Alamos' current intention that if it takes up and pays for Common Shares deposited under the Offer and, if feasible in accordance with the terms of the Common Shares and applicable Law, it will enter into one or more transactions to enable Alamos or an affiliate of Alamos to acquire all Common Shares not acquired under the Offer. There is no assurance that such a transaction will be completed and Alamos expressly reserves the right not to propose a Compulsory Acquisition or a Subsequent Acquisition Transaction (such terms as defined herein).

#### ***Compulsory Acquisition***

If, within four months after the date of the Offer, the Offer has been accepted by Shareholders who, in the aggregate, hold not less than 90% of the issued and outstanding Common Shares in respect of which the Offer was made as at the Expiry Time, other than Common Shares held at the date of the Offer by, or by a nominee for, Alamos or its affiliates (as such term is defined in the BCBCA) and Alamos acquires or is bound to take up and pay for such deposited Common Shares under the Offer, Alamos intends, to the extent possible and in compliance with all applicable Laws, to acquire those Common Shares which remain outstanding held by those persons who did not accept the Offer (and each person who subsequently acquires any such Common Shares) (“**Offerees**”) pursuant to the provisions of Section 300 of the BCBCA on the same terms (including the price offered per Common Share) as the Common Shares acquired under the Offer (a “**Compulsory Acquisition**”). Holders of Convertible Securities must exercise, exchange or convert those securities into Common Shares before any payment for underlying Common Shares will be made.

To exercise its statutory right of Compulsory Acquisition, Alamos must send written notice (the “**Offeror’s Notice**”) to each Offeree of such proposed acquisition within five months after the date of the Offer. If the Offeror’s Notice is sent to an Offeree under Subsection 300(3) of the BCBCA, Alamos is entitled and bound to acquire all of the Common Shares of that Offeree that were involved in the Offer for the same price and on the same terms contained in the Offer, unless the Supreme Court of British Columbia (the “**Court**”) orders otherwise on an application made by that Offeree within two months after the date of the Offeror’s Notice to that Offeree. Pursuant to any such application by an Offeree, the Court may fix the price and terms of payment for the Common Shares held by the Offeree and make any such consequential orders and give such directions as the Court considers



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appropriate. Unless the Court orders otherwise (or, if an application to the Court has been made pursuant to the provisions described in the immediately preceding sentence, at any time after that application has been disposed of), Alamos must, not earlier than two months after the date of the Offeror's Notice, send a copy of the Offeror's Notice to Aurizon and must pay or transfer to Aurizon the amount or other consideration representing the price payable by Alamos for the Common Shares that are referred to in the Offeror's Notice. On receiving the copy of the Offeror's Notice and the amount or other consideration representing the price payable for the Common Shares referred to in the Offeror's Notice, Aurizon must register Alamos as a Shareholder with respect to those Common Shares subject to the Offeror's Notice. Any such amount received by Aurizon for the Common Shares is required to be paid into a separate account at a savings institution and, together with any other consideration so received, must be held by Aurizon, or by a trustee approved by the Court, in trust for the persons entitled to that sum.

**The foregoing is a summary only of the statutory right of Compulsory Acquisition which may become available to Alamos and is qualified in its entirety by the provisions of Section 300 of the BCBCA, the full text of which is attached as Schedule "C" to this Circular. Section 300 of the BCBCA is complex and may require strict adherence to notice and timing provisions, failing which rights may be lost or altered. Shareholders who wish to be better informed about Section 300 and other provisions of the BCBCA should consult their legal advisors.**

The income tax consequences to a Shareholder of a Compulsory Acquisition may differ from the income tax consequences to such Shareholder of having its Common Shares acquired pursuant to the Offer. See Section 19 of the Circular "Principal Canadian Federal Income Tax Considerations" and Section 20 of the Circular, "U.S. Federal Income Tax Considerations".

#### ***Compelled Acquisition***

If not less than 90% of the issued and outstanding Common Shares are acquired by or on behalf of Alamos and its affiliates, any Offeree will be entitled, in certain circumstances and in accordance with the BCBCA, to require Alamos to acquire such Offeree's Common Shares.

Section 300 of the BCBCA provides that if Alamos has not sent the Offeror's Notice to each Offeree within one month after becoming entitled to do so, Alamos must send a written notice to each Offeree stating that, within three months after receiving such written notice, such Offeree may require Alamos to acquire the Common Shares of that Offeree that were involved in the Offer. If an Offeree requires Alamos to acquire such Offeree's Common Shares in accordance with these provisions, Alamos must acquire those Offeree's Common Shares for the same price and on the same terms contained in the Offer (a "**Compelled Acquisition**").

**The foregoing is a summary only of the statutory right of Compelled Acquisition which may become available to Offerees and is qualified in its entirety by the provisions of Sections 300(9) and 300(10) of the BCBCA, the full text of which is attached as Schedule "C" to this Circular. Sections 300(9) and 300(10) of the BCBCA are complex and may require strict adherence to notice and timing provisions, failing which such rights may be lost or altered. Shareholders who wish to be better informed about these and other provisions of the BCBCA should consult their legal advisors.**

The income tax consequences to a Shareholder of a Compelled Acquisition may differ from the income tax consequences to such Shareholder of having such Shareholder's Common Shares acquired pursuant to the Offer. See Section 19 of the Circular, "Principal Canadian Federal Income Tax Considerations" and Section 20 of the Circular, "U.S. Federal Income Tax Considerations".

#### ***Subsequent Acquisition Transaction***

If Alamos acquires less than 90% of the Common Shares under the Offer, or the right of Compulsory Acquisition described above is not available for any reason, or if Alamos elects not to pursue such right, Alamos currently intends, depending on the number of Common Shares taken up and paid for under the Offer, to pursue other means of acquiring, directly or indirectly, all of the outstanding Common Shares and other securities exercisable for or convertible or exchangeable into Common Shares in accordance with applicable Law, including, by way of example, by means of an arrangement, reclassification, consolidation, amalgamation, merger or other combination of Aurizon with Alamos or one or more of Alamos' entities, on such terms and conditions as Alamos, at the time, believes to be appropriate (each, a "**Subsequent Acquisition Transaction**"). To effect such Subsequent Acquisition Transaction,

Alamos currently intends to cause a special meeting of Shareholders to be called to consider such a transaction. The detailed terms of any Subsequent Acquisition Transaction, including the timing of

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its implementation and the consideration to be received by the Shareholders, would necessarily be subject to a number of considerations, including the number of Common Shares acquired pursuant to the Offer. Alamos' current intention is that the consideration to be paid to Shareholders pursuant to any Subsequent Acquisition Transaction would be equal in amount to and in the same form as that payable under the Offer; however, it is possible that, as a result of the number of Common Shares acquired under the Offer, delays in Alamos' ability to effect such a transaction, information hereafter obtained by Alamos with respect to Aurizon or its business, changes in general economic, industry, regulatory or market conditions or in the business of Aurizon, or other currently unforeseen circumstances, such a transaction may not be so proposed, or may be proposed on different terms or delayed or abandoned. Alamos expressly reserves the right not to propose a Compulsory Acquisition or Subsequent Acquisition Transaction involving Aurizon and reserves the right to propose other means of acquiring, directly or indirectly, all of the issued and outstanding Common Shares in accordance with applicable Laws, including a Subsequent Acquisition Transaction on terms not described in the Circular.

If a Subsequent Acquisition Transaction were to be consummated, Shareholders may, under the BCBCA, have the right to dissent and demand payment of the fair value of their Common Shares. This right, if the statutory procedures are complied with, could lead to judicial determination of the fair value required to be paid to those dissenting holders for their Common Shares. The fair value of the Common Shares so determined could be more or less than the amount paid per security pursuant to the Subsequent Acquisition Transaction or the Offer. Any such judicial determination of the fair value of the Common Shares could be based upon considerations other than, or in addition to, the market price of the Common Shares.

Shareholders should consult their legal advisors for a determination of their legal rights with respect to any Subsequent Acquisition Transaction.

The income tax consequences to a Shareholder of a Subsequent Acquisition Transaction may differ from the income tax consequences to such Shareholder of having such Shareholder's Common Shares acquired pursuant to the Offer. See Section 19 of the Circular, "Principal Canadian Federal Income Tax Considerations" and Section 20 of the Circular, "U.S. Federal Income Tax Considerations".

### ***Securities Law Requirements for Business Combinations***

Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") may deem a Subsequent Acquisition Transaction to be a "business combination" if such Subsequent Acquisition Transaction would result in the interest of a Shareholder being terminated without the consent of the holder, irrespective of the nature of the consideration provided in substitution therefor. Alamos expects that any Subsequent Acquisition Transaction relating to Common Shares will be a "business combination" under MI 61-101. In certain circumstances, the provisions of MI 61-101 may also deem certain types of Subsequent Acquisition Transactions to be "related party transactions". However, if the Subsequent Acquisition Transaction is a "business combination" carried out in accordance with MI 61-101 or an exemption therefrom, the "related party transaction" provisions therein do not apply to such transaction. Alamos intends to carry out any such Subsequent Acquisition Transaction in accordance with MI 61-101, or any successor provisions, or exemptions therefrom, such that the "related party transaction" provisions of MI 61-101 would not apply to such Subsequent Acquisition Transaction.

MI 61-101 provides that, unless exempted, an issuer proposing to carry out a business combination is required to prepare a valuation of the affected securities (and any non-cash consideration being offered therefor) and provide to the holders of the affected securities a summary of such valuation. An exemption is available under MI 61-101 for certain business combinations completed within 120 days after the expiry of a formal take-over bid where the consideration that security holders would be entitled receive under the business combination is at least equal in value to and is in the same form as the consideration that tendering security holders were entitled to receive in the take-over bid, provided that certain disclosure is given in the take-over bid disclosure documents (and which disclosure has been provided herein). Alamos currently intends that the consideration offered per Common Share under any Subsequent Acquisition Transaction proposed by it would be the same consideration offered to the Shareholders under the Offer and that such Subsequent Acquisition Transaction will be completed no later than 120 days after the Expiry Date and, accordingly, Alamos expects to rely on these exemptions.

Depending on the nature and terms of the Subsequent Acquisition Transaction, the provisions of the BCBCA and Aurizon's constating documents may require the approval of 66 <sup>2</sup>/<sub>3</sub>% of the votes cast by holders of the issued and outstanding Common Shares at a meeting duly called and held for the purpose of approving the Subsequent Acquisition Transaction. MI 61-101 also requires that, in addition to any other required security holder approval, in

order to complete a business combination, the approval of a simple majority of the votes cast by “minority” shareholders of each class of affected securities who are entitled to vote, as described below, must be obtained unless an exemption is available or discretionary relief is granted by applicable securities regulatory authorities. If, however, following the Offer, Alamos and its affiliates beneficially own 90% or more of the Common Shares at the time the Subsequent Acquisition Transaction is agreed to, the requirement for minority approval under MI 61-101 would not apply to the transaction if an enforceable appraisal remedy or substantially equivalent right is made available to minority shareholders.

In relation to the Offer and any business combination, the “minority” shareholders entitled to vote will be, unless an exemption is available or discretionary relief is granted by applicable securities regulatory authorities, all Shareholders other than Alamos, any “interested party” (within the meaning of MI 61-101), certain “related parties” of Alamos or of any other “interested party” (in each case within the meaning of MI 61-101) and any “joint actor” (within the meaning of MI 61-101) with any of the foregoing persons. MI 61-101 also provides that Alamos may treat Common Shares acquired under the Offer as “minority” shares and vote them, or consider them voted, in favour of such business combination if, among other things: (a) the business combination is completed not later than 120 days after the Expiry Date, (b) the consideration per security in the business combination is at least equal in value to and in the same form as the consideration paid under the Offer; (c) the Shareholder who tendered such Common Shares to the Offer was not (i) a “joint actor” (within the meaning of MI 61-101) with Alamos in respect of the Offer, (ii) a direct or indirect party to any “connected transaction” (within the meaning of MI 61-101) to the Offer, or (iii) entitled to receive, directly or indirectly, in connection with the Offer, a “collateral benefit” (within the meaning of MI 61-101) or consideration per Common Share that is not identical in amount and form to the entitlement of the general body of Shareholders in Canada; and (d) certain disclosure is provided in the take-over bid disclosure documents (which disclosure has been provided herein). Alamos currently intends that the consideration offered per Common Share under any Subsequent Acquisition Transaction proposed by it would be the same consideration offered to the Shareholders under the Offer and that such Subsequent Acquisition Transaction will be completed no later than 120 days after the Expiry Date and all disclosure required in connection with any such Subsequent Acquisition Transaction has been provided in this Circular. Alamos intends to cause Common Shares acquired under the Offer to be voted in favour of any such transaction and, where permitted by MI 61-101, to be counted as part of any minority approval required in connection with any such transaction. To the knowledge of Alamos after reasonable inquiry, it is anticipated that Common Shares held by Alamos, or an “interested” party and the directors and executive officers of Alamos that beneficially own Common Shares as listed under Section 12 of the Circular, “Trading in Securities of Aurizon”, will not be included for purposes of any “minority” shareholder approval. As a result, 26,507,283 votes attaching to outstanding Common Shares (representing approximately 16% of the issued and outstanding Common Shares) will not be included for the purposes of such calculation.

Rule 13e-3 under the U.S. Exchange Act is applicable to certain “going-private” transactions in the United States and may under certain circumstances be applicable to a Compulsory Acquisition or a Subsequent Acquisition Transaction. Alamos believes that Rule 13e-3 under the U.S. Exchange Act should not be applicable to a Compulsory Acquisition or a Subsequent Acquisition Transaction unless the Compulsory Acquisition or the Subsequent Acquisition Transaction, as the case may be, is consummated more than one year after the termination of the Offer. If applicable, Rule 13e-3 under the U.S. Exchange Act would require, among other things, that certain financial information concerning Aurizon and certain information relating to the fairness of the Compulsory Acquisition or the Subsequent Acquisition Transaction, as the case may be, and the consideration offered to minority Shareholders be filed with the SEC and distributed to minority Shareholders before the consummation of any such transaction.

The foregoing discussion of certain provisions of the U.S. Exchange Act is not a complete description of the U.S. Exchange Act or such provisions thereof and is qualified in its entirety by the reference to the U.S. Exchange Act.

### ***Other Alternatives***

If, following completion of the Offer, Alamos does not effect a Compulsory Acquisition or a Subsequent Acquisition Transaction, or if Alamos proposes a Subsequent Acquisition Transaction but cannot promptly obtain any required approvals, Alamos will evaluate its other available alternatives. Such alternatives could include, to the extent permitted by applicable Law, purchasing additional Common Shares or other securities in the open market, in private negotiated transactions, in another take-over bid or exchange offer or otherwise. Subject to applicable Law,

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any additional purchases of Common Shares could be at a price greater than, equal to or less than the price paid for Common Shares under the Offer and could be for cash, securities and/or other consideration. Alternatively, Alamos may take no action to acquire additional Common Shares or other securities, or may sell or otherwise dispose of any or all Common Shares acquired pursuant to the Offer or otherwise. Such transactions may be effected on terms and at prices then determined by Alamos which may vary from the price paid for Common Shares under the Offer.

The income tax consequences to a Shareholder of such alternatives may differ from the income tax consequences to such Shareholder of having such Shareholder's Common Shares acquired pursuant to the Offer. See Section 19 of the Circular, "Principal Canadian Federal Income Tax Considerations" and Section 20 of the Circular, "U.S. Federal Income Tax Considerations".

### ***Legal and Judicial Developments***

On February 1, 2008, MI 61-101 came into force in the Provinces of Ontario and Québec, introducing harmonized requirements for enhanced disclosure, independent valuations and majority of minority security holder approval for specified types of transactions. See "– Securities Law Requirements for Business Combinations" above.

Certain judicial decisions may also be considered relevant to any business combination that may be proposed or effectuated subsequent to the expiry of the Offer. Prior to the adoption of MI 61-101 (or its predecessors), Canadian courts had, in a few instances, granted preliminary injunctions to prohibit transactions which involved certain business combinations. The trend both in legislation and in Canadian jurisprudence has been towards permitting business combinations to proceed subject to compliance with procedures designed to ensure substantive fairness to minority shareholders.

Shareholders should consult their legal advisors for a determination of their legal rights with respect to any transaction which may constitute a business combination.

### ***Valuation Exemption***

Alamos and its affiliates currently own approximately 26,507,283 Common Shares, representing over 16% of the issued and outstanding Common Shares. Accordingly, the Offer is an "insider bid" within the meaning of certain Canadian provincial securities legislation and MI 61-101, as Alamos has, or is deemed to have, beneficial ownership of, or control over, directly or indirectly, more than 10% of the securities of Aurizon carrying more than 10% of the voting rights attached to all of Aurizon's outstanding voting securities.

The applicable securities legislation and MI 61-101 require that a formal valuation of the securities that are the subject of the bid be prepared by an independent valuator and filed with the applicable securities regulatory authorities and that a summary of the formal valuation and an outline of every prior valuation of the offeree issuer made within 24 months preceding the date of the Offer, including a description of the source and circumstances under which it was made, be included in the take-over bid circular in respect of the "insider bid" (collectively, the "**Valuation Requirements**"), subject to certain exemptions.

In accordance with section 2.4(1)(a) of MI 61-101, Alamos is exempt from the Valuation Requirements in the Provinces of Québec and Ontario on the basis that neither Alamos nor any of its joint actors has, or has had within the preceding 12 months, any board or management representation in respect of Aurizon, or has knowledge of any material information concerning Aurizon or its securities that has not been generally disclosed.

Since the time the initial Share Purchase Agreements were entered into, Alamos does not know, after reasonable inquiry, of any material information in respect of Aurizon or its securities that has not been generally disclosed and, if generally disclosed, could reasonably be expected to increase the consideration. To the knowledge of Alamos and its directors and executive officers, after reasonable inquiry, no prior valuation (as such term is defined in MI 61-101) has been made in respect of Aurizon in the 24 months preceding the date of the Offer.

## **16. Agreements, Commitments or Understandings**

There are no agreements, commitments or understandings made or proposed to be made between Alamos and any of the directors or officers of Aurizon and no payment or other benefit is proposed to be made or given by Alamos to any of the directors or officers of Aurizon by way of compensation for loss of office or for remaining in or retiring from office as a result of the Offer.

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Other than the Share Purchase Agreements described in Section 6 of the Circular, “Share Purchase Agreements”, there are no agreements, commitments or understandings between Alamos and any Shareholder with respect to the Offer or between Alamos and any person with respect to any securities of Aurizon in relation to the Offer.

There are no agreements, commitments or understandings between Alamos and Aurizon relating to the Offer and Alamos is not aware of any agreements, commitments or understandings that could affect control of Aurizon.

## **17. Regulatory Matters**

Based upon an examination of publicly available information available to Alamos, Alamos is not aware of any governmental licences or regulatory permits that appear to be material to the business of Aurizon which might be adversely affected by Alamos’ acquisition of Common Shares pursuant to the Offer. Also, except as described below or elsewhere in the Offer and Circular based upon an examination of publicly available information, Alamos is not aware of any material approval or other action by any federal, provincial, state or foreign government or administrative or regulatory agency that would be required prior to the acquisition of Common Shares pursuant to the Offer.

### ***Competition Laws***

Based upon an examination of publicly available information relating to the business of Aurizon, Alamos does not reasonably expect the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction, as applicable, to give rise to material competition/anti-trust concerns in any jurisdiction. However, Alamos cannot be assured that no such concerns will arise.

#### **Competition Act (Canada)**

Under the *Competition Act* (Canada) (the “**Competition Act**”), a transaction that exceeds certain financial thresholds (a “**Notifiable Transaction**”) requires prior notification to the Commissioner unless the Commissioner issues an advance ruling certificate (an “**ARC**”) or waives the filing obligation in respect of the transaction. If a transaction is a Notifiable Transaction, it may not be completed until the applicable statutory waiting period has expired or been terminated, or the Commissioner has either issued an ARC or otherwise waived the filing obligation. The applicable statutory waiting period expires 30 days following the day of the filing of a pre-merger notification under the Competition Act (or earlier if the Commissioner issues an ARC in advance) (unless that 30th day falls on a weekend, in which case the waiting period expires on the next business day) or, if during that 30-day period the Commissioner issues a request for additional information (a “**Supplementary Information Request**”), 30 days following the day on which the information requested under a Supplementary Information Request has been received by the Commissioner and certified complete (unless that 30th day falls on a weekend, in which case the waiting period expires on the next business day).

In cases where the Commissioner wishes to challenge a merger, he may apply to the Competition Tribunal in respect of a “merger” (as defined under the Competition Act), and if the Competition Tribunal finds that the merger is likely to prevent or lessen competition substantially, the Competition Tribunal may issue an order to, among other things, prohibit the merger in whole or in part.

Alternatively, where the Commissioner is satisfied that he would not have sufficient grounds to apply to the Competition Tribunal under the merger provisions of the Competition Act, the Commissioner may issue an ARC in respect of that transaction. If the transaction to which the ARC relates is substantially completed within one year after the ARC is issued, the Commissioner cannot seek an order of the Competition Tribunal under the merger provisions of the Competition Act in respect of the transaction solely on the basis of information that is the same or substantially the same as the information on the basis of which the ARC was issued. The Commissioner may, in lieu of issuing an ARC, issue a “no action” letter, wherein the Commissioner indicates that he does not intend, at that time, to bring an application to the Competition Tribunal under the merger provisions of the Competition Act but reserves the right to do so within one year of closing as permitted under the Competition Act.

Based upon an examination of publicly available information available to Alamos, Alamos is currently of the view that the transactions contemplated by the Offer may constitute a Notifiable Transaction and a “merger” under the Competition Act. Therefore, if no new information becomes available to Alamos, Alamos currently intends to shortly submit a request for an ARC, or in the alternative



a waiver from the filing obligation and a no action letter, with respect to the Offer. Alamos also currently intends to file a pre-merger notification with the

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Commissioner, in which case Aurizon will also be required to make a pre-notification filing within ten days of being notified by the Commissioner of Alamos' filing.

The obligation of Alamos to complete the Offer is, among other things, subject to the condition (i) that the Commissioner shall have issued (and not rescinded or amended) an ARC under Section 102 of the Competition Act with respect to the transactions contemplated by the Offer and any Compulsory Acquisition, Subsequent Acquisition Transaction or other alternative transactions; or (ii) that: (a) the waiting period under Section 123 of the Competition Act shall have expired or been terminated or the notification requirement shall have been waived pursuant to Section 113(c) of the Competition Act, and (b) the Commissioner shall have advised Alamos in writing (and not rescinded or amended such advice, referred to herein as a "no action" letter) that the Commissioner does not, at that time, intend to make an application under Section 92 of the Competition Act in respect of the transactions contemplated by the Offer and any Compulsory Acquisition, Subsequent Acquisition Transaction or other alternative transactions, and the form of and any terms and conditions to any such advice are satisfactory to Alamos in its sole judgment (the "**Competition Act Approval**"). See Section 4 of the Offer, "Conditions of the Offer".

### HSR Act

Under the United States *Hart-Scott-Rodino Antitrust Improvements Act of 1976*, as amended (the "**HSR Act**"), and the rules that have been promulgated thereunder by the Federal Trade Commission (the "**FTC**"), certain acquisition transactions may not be consummated unless certain information has been furnished to the Antitrust Division of the Department of Justice (the "**Antitrust Division**") and the FTC and certain waiting period requirements have been satisfied. The obligation of Alamos to complete the Offer may be subject to such requirements (the "**HSR Condition**").

Based upon an examination of publicly available information available to Alamos, Alamos is currently of the view that the transactions contemplated by the Offer may be subject to the HSR Act. Therefore, if no new information becomes available to Alamos, Alamos currently intends to shortly submit a Premerger Notification and Report Form under the HSR Act with the FTC and the Antitrust Division.

Under the provisions of the HSR Act applicable to the Offer, the acquisition of Common Shares pursuant to the Offer may not be consummated until the expiration of a 30-calendar day waiting period following the filing by Alamos, unless such waiting period is earlier terminated by the FTC and the Antitrust Division or extended by a request from the FTC or the Antitrust Division for additional information or documentary material prior to the expiration of the waiting period (a "**Second Request**"). There can be no assurance, however, that the 30-day HSR Act waiting period will be terminated early. If either the FTC or the Antitrust Division were to issue a Second Request to Alamos with respect to the Offer, the waiting period with respect to the Offer would expire at 11:59 p.m. Toronto time, on the 30th calendar day after the date of substantial compliance with such Second Request unless either (i) the FTC or the Antitrust Division seeks, and is granted, a court order further extending the waiting period or (ii) the HSR Act waiting period is earlier terminated by the FTC and the Antitrust Division. If the acquisition of Common Shares is delayed pursuant to a Second Request, the Offer may, but need not, be extended and, in any event, the purchase of and payment for Common Shares will be deferred until 30 days after the request is complied with, unless the waiting period is sooner terminated by the FTC and the Antitrust Division. Only one extension of such waiting period pursuant to a request for additional information is authorized by the HSR Act and the rules promulgated thereunder, except by court order. Unless Alamos determines that the transactions contemplated by the Offer are not subject to the HSR Act, it is a condition to the Offer that any waiting period under the HSR Act applicable to the Offer expire or be terminated. See Section 4 of the Offer, "Conditions of the Offer".

### ***Securities Regulatory Matters***

The distribution of the Alamos Shares under the Offer is being made pursuant to statutory exemptions from the prospectus and dealer registration requirements under applicable Canadian securities laws. While the resale of Alamos Shares issued under the Offer is subject to restrictions under the securities laws of certain Canadian provinces and territories, Shareholders in such provinces and territories generally will be able to rely on statutory exemptions from such restrictions.

Alamos has filed the Registration Statement with the SEC registering the issuance of the Alamos Shares offered to U.S. Shareholders pursuant to the Offer as required by the U.S. Securities Act. The resale of the Alamos Shares offered to U.S. Shareholders

by persons that are not “affiliates” (as defined in Rule 144 under the U.S. Securities Act) of Alamos will not be required to be registered in the United States. However, Alamos Shares acquired by “affiliates” (as defined in Rule 144 under the U.S. Securities Act) of Alamos may be resold only in a

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transaction registered under the U.S. Securities Act or in accordance with the requirements of Rule 144 or another exemption from the registration requirements of the U.S. Securities Act. In general, an “affiliate” (as defined in Rule 144 under the U.S. Securities Act) of Alamos is an officer or director of Alamos, a shareholder who beneficially owns more than 10% of the issued and outstanding Alamos Shares or other individuals or entities that, directly or indirectly, through one or more intermediaries, control, or are controlled by or are under common control with Alamos.

This document does not constitute a registration statement covering resales of securities by persons who are otherwise restricted from selling their shares under the U.S. Securities Act.

The Offer is being made in compliance with applicable Canadian and U.S. rules governing take-over bids and tender offers, respectively, or applicable exemptions therefrom.

### ***Stock Exchange Listing***

In connection with the Offer, Alamos expects to issue up to approximately 23,500,000 Alamos Shares, representing approximately 18.4% of the Alamos Shares issued and outstanding on a non-diluted basis immediately prior to the completion of the Offer. Alamos intends to apply to list such Alamos Shares on the TSX. Alamos has applied to list the Alamos Shares (including the Alamos Shares offered hereunder) on the NYSE. Listing will be subject to fulfillment of all of the applicable listing requirements and the approval of the TSX and the NYSE.

### ***U.S. Securities and Exchange Commission Relief Requested***

Alamos intends to request from the SEC certain exemptions from rules under the U.S. Exchange Act with respect to the Offer. Alamos intends to request relief from Rule 14d-11(e) under the U.S. Exchange Act to be permitted to take up and pay for Common Shares deposited during the Subsequent Offering Period within ten calendar days of the date the Common Shares were deposited, in accordance with Canadian Law and practice. Alamos also intends to request relief from Rule 14d-11(e) and Rule 14d-10(a)(2) under the U.S. Exchange Act to permit the use of pro rating the consideration offered under the Offer on more than one Take-Up Date. There can be no assurance that Alamos will be granted such relief.

## **18. Effect of the Offer on the Market for and Listing of Common Shares and Status as a Reporting Issuer**

The purchase of Common Shares by Alamos pursuant to the Offer will reduce the number of Common Shares that might otherwise trade publicly, as well as the number of Shareholders and, depending on the number of Common Shares acquired by Alamos under the Offer, would likely adversely affect the liquidity and market value of the remaining Common Shares held by the public.

The rules and regulations of the TSX and the NYSE MKT establish certain criteria which, if not met, could upon successful completion of the offer, lead to the delisting of the Common Shares from such exchanges. Among such criteria are the number of Shareholders, the number of Common Shares publicly held and the aggregate market value of the Common Shares publicly held. Depending on the number of Common Shares purchased under the Offer, it is possible that the Common Shares would fail to meet the criteria for continued listing on the TSX and the NYSE MKT. If this were to happen, the Common Shares could be delisted and this could, in turn, adversely affect the market or result in a lack of an established market for the Common Shares. In addition, the termination of the registration of the Common Shares under the U.S. Exchange Act would substantially reduce the information required to be furnished by Aurizon to the Shareholders and to the SEC and would make certain provisions of the U.S. Exchange Act no longer applicable to Aurizon, such as the requirements of Rule 13e-3 under the U.S. Exchange Act with respect to “going private” transactions. Furthermore, the ability of “affiliates” (as defined in Rule 144 under the U.S. Securities Act) of Aurizon and persons holding “restricted securities” (as defined in Rule 144 under the U.S. Securities Act) of Aurizon to dispose of such securities pursuant to Rule 144 under the U.S. Securities Act and Rule 144A under the U.S. Securities Act may be impaired or eliminated.

If permitted by applicable Law, subsequent to the completion of the Offer or any Compulsory Acquisition or Subsequent Acquisition Transaction, Alamos intends to apply to delist the Common Shares from the TSX and the NYSE MKT.

If permitted by applicable Law, subsequent to the completion of the Offer and any Compulsory Acquisition or Subsequent Acquisition Transaction, Alamos intends to cause Aurizon to cease to be a reporting issuer or its equivalent under the securities laws of Canada and the United States.

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## 19. Principal Canadian Federal Income Tax Considerations

In the opinion of Torgys LLP, counsel to Alamos, the following summary describes the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) (the “**Tax Act**”) generally applicable to a Shareholder who, for purposes of the Tax Act, holds Common Shares and Alamos Shares received pursuant to the Offer as capital property, deals at arm’s length with, and is not affiliated with, Aurizon or Alamos and who sells Common Shares pursuant to the Offer or otherwise disposes of Common Shares pursuant to certain transactions described under Section 15 of the Circular, “Acquisition of Common Shares Not Deposited Under the Offer”.

Common Shares and Alamos Shares generally will be considered capital property to a Shareholder for purposes of the Tax Act unless the Shareholder holds such shares in the course of carrying on a business of buying and selling securities or the Shareholder has acquired or holds them in a transaction or transactions considered to be an adventure or concern in the nature of trade.

This summary is based on the current provisions of the Tax Act, the regulations thereunder (the “**Tax Regulations**”) in force prior to the date hereof, and counsel’s understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the “**CRA**”) published in writing by the CRA. The summary takes into account all specific proposals to amend the Tax Act and the Tax Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Tax Proposals**”), and assumes that all Tax Proposals will be enacted in the form proposed. However, there is no certainty that the Tax Proposals will be enacted in the form currently proposed, if at all. The summary does not otherwise take into account or anticipate any changes in law, whether by judicial, governmental or legislative decision or action, or other changes in administrative policies or assessing practices of the CRA, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ materially from the Canadian federal income tax legislation or considerations described herein.

This summary is not applicable to persons holding Convertible Securities or other conversion or exchange rights to acquire Common Shares, or persons who acquired Common Shares on the exercise of employee stock options. In addition, this summary is not applicable to (i) “financial institutions” who are subject to the mark-to-market rules in the Tax Act, (ii) “specified financial institutions”, (iii) a person an interest in which would be a “tax shelter investment”, or (iv) persons who have elected to determine their “Canadian tax results” in a foreign currency pursuant to the “functional currency” reporting rules, all within the meaning of the Tax Act. All such persons should consult their own tax advisors.

Further, this summary is not applicable to a person that (i) is a corporation resident in Canada and (ii) is, or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of Alamos Shares, controlled by a non-resident corporation for the purposes of the foreign affiliate dumping rules in proposed section 212.3 of the Tax Act. Any such Shareholder should consult its own tax advisor.

**This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal, business or tax advice or representations to any particular Shareholder to whom the Offer is made. Accordingly, Shareholders should consult their own tax advisors with respect to their particular circumstances, including the application and effect of the income and other tax laws of any country, province, state or local tax authority.**

### ***Shareholders Resident in Canada***

This part of the summary is applicable only to a Shareholder who, for purposes of the Tax Act and at all relevant times, is resident, or is deemed to be resident, in Canada (a “**Resident Shareholder**”). Certain Resident Shareholders whose Common Shares might not otherwise constitute capital property may be entitled to elect that such Common Shares be deemed capital property by making an irrevocable election under subsection 39(4) of the Tax Act to treat all “Canadian securities” (as defined in the Tax Act) owned by the Resident Shareholder as capital property. Resident Shareholders contemplating such an election should first consult their own tax advisors.

Exchange of Common Shares for Cash only or a Combination of Alamos Shares and Cash - No Tax Election

A Resident Shareholder whose Common Shares are exchanged for cash only or a combination of Alamos Shares and cash pursuant to the Offer and who does not make a valid Tax Election (as defined herein) will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base of the Resident Shareholder's Common Shares immediately before the exchange.

For purposes of computing the capital gain or capital loss realized upon disposition of a Common Share to Alamos, a Resident Shareholder will be considered to have disposed of such Resident Shareholder's Common Share to Alamos for proceeds of disposition equal to the aggregate of the cash received in respect of such Common Share (including cash received in lieu of a fraction of a share) and the fair market value (determined at the time the Common Share is taken up and paid for) of Alamos Shares received from Alamos (if any), in consideration therefor.

The cost to the Resident Shareholder of any Alamos Shares acquired on the exchange will equal the fair market values, as at the time of the exchange, of the Common Shares disposed of by such Resident Shareholder, less the aggregate of the amount of cash received on the exchange. If the Resident Shareholder separately owns other Alamos Shares as capital property at that time, the adjusted cost base of all Alamos Shares owned by the Resident Shareholder as capital property immediately after the exchange will be determined by averaging the cost of the Alamos Shares acquired on the exchange with the adjusted cost base of those other Alamos Shares.

Exchange of Common Shares for Alamos Shares Only

In the case of a Resident Shareholder who elects the Share Alternative and who receives only Alamos Shares (except for cash in lieu of a fractional share, if applicable), a capital gain or capital loss that would otherwise be realized on the exchange of a Common Share for a Alamos Share may be deferred under the provisions of section 85.1 of the Tax Act.

In general, except where (a) such a Resident Shareholder has, in the Resident Shareholder's income tax return for the year of sale, included any portion of the gain or loss otherwise determined from the disposition of a Common Share, (b) such a Resident Shareholder has made a Tax Election, or (c) immediately after the exchange, such a Resident Shareholder or persons with whom such a Resident Shareholder does not deal at arm's length for purposes of the Tax Act or such a Resident Shareholder together with such persons either controls or beneficially owns shares of the capital stock of Alamos having a fair market value of more than 50% of the fair market value of all outstanding shares of the capital stock of Alamos, the Resident Shareholder will be deemed to have disposed of each of the Resident Shareholder's Common Shares for proceeds of disposition equal to the adjusted cost base of such share immediately before the disposition, and, in exchange therefor, will be deemed to have acquired Alamos Shares at a cost equal to such adjusted cost base. Pursuant to the CRA's current administrative practices, a Resident Shareholder who receives cash not exceeding \$200 in lieu of a fractional share will have the option of recognizing the capital gain or capital loss arising on the disposition of the fractional share or alternatively of reducing the adjusted cost base of the Alamos Shares acquired by the amount of cash so received.

If the Resident Shareholder separately owns other Alamos Shares as capital property at that time, the adjusted cost base of all Alamos Shares owned by the Resident Shareholder as capital property immediately after the exchange will be determined by averaging the cost of the Alamos Shares acquired on the exchange with the adjusted cost base of those other Alamos Shares.

The provisions described above with respect to the deferral of a capital gain or a capital loss will not apply to Resident Shareholders who elect to include in their income for the year of disposition any portion of the gain or loss otherwise determined. A Resident Shareholder who does include any such amount in income will be deemed to have disposed of all Common Shares for proceeds of disposition equal to the fair market value of Alamos Shares (and cash in lieu of a fractional share, if applicable) received in exchange therefor and to have acquired such Alamos Shares at a cost equal to their fair market value. It is not possible for a Resident Shareholder to elect such treatment on a portion only of the gain or loss otherwise realized on a disposition of Common Shares.

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### Exchange of Common Shares for Alamos Shares only or a Combination of Alamos Shares and Cash - Tax Election

The following applies to a Resident Shareholder who is an Eligible Holder. An Eligible Holder who receives Alamos Shares only or a combination of cash and Alamos Shares under the Offer and who elects the Rollover Option in the Letter of Transmittal may obtain a full or partial tax deferral in respect of the disposition of Common Shares as a consequence of filing with the CRA (and, where applicable, with a provincial tax authority) a joint election made by the Eligible Holder and Alamos (the “**Tax Election**”) under subsection 85(1) of the Tax Act (or, in the case of a partnership, under subsection 85(2) of the Tax Act provided all members of the partnership jointly elect) and the corresponding provisions of any applicable provincial tax legislation.

So long as, at the time of the disposition, the adjusted cost base to an Eligible Holder of the holder’s Common Shares equals or exceeds the aggregate of the amount of any cash received as a result of such disposition by such holder, the Eligible Holder may select an Elected Amount so as to not realize a capital gain for the purposes of the Tax Act on the exchange. The “**Elected Amount**” means the amount selected by an Eligible Holder, subject to the limitations described below, in the Tax Election to be treated as the Eligible Holder’s proceeds of disposition of the Common Shares.

In general, where an election is made, the Elected Amount must comply with the following rules:

- (a) the Elected Amount may not be less than the aggregate of the amount of cash received by the Eligible Holder as a result of the disposition;
- (b) the Elected Amount may not be less than the lesser of the adjusted cost base to the Eligible Holder of the Common Shares disposed of, determined at the time of the disposition, and the fair market value of the Common Shares at that time; and
- (c) the Elected Amount may not exceed the fair market value of the Common Shares at the time of the disposition.

Where an Eligible Holder and Alamos make an election that complies with the rules above, the tax treatment to the Eligible Holder generally will be as follows:

- (a) the Common Shares will be deemed to have been disposed of by the Eligible Holder for proceeds of disposition equal to the Elected Amount;
- (b) if the Elected Amount is equal to the aggregate of the adjusted cost base to the Eligible Holder of the Common Shares, determined at the time of the disposition, and any reasonable costs of disposition, no capital gain or capital loss will be realized by the Eligible Holder;
- (c) to the extent that the Elected Amount exceeds (or is less than) the aggregate of the adjusted cost base of the Common Shares to the Eligible Holder and any reasonable costs of disposition, the Eligible Holder will in general realize a capital gain (or capital loss); and
- (d) the aggregate cost to the Eligible Holder of the Alamos Shares acquired as a result of the disposition will be equal to the amount, if any, by which the Elected Amount exceeds the aggregate of the amount of cash received by the Eligible Holder as a result of the disposition, and such cost will be averaged with the adjusted cost base of all other Alamos Shares held by the Eligible Holder immediately prior to the disposition for the purpose of determining thereafter the adjusted cost base of each Alamos Share held by such Eligible Holder.

Alamos has agreed to make a Tax Election pursuant to subsection 85(1) or subsection 85(2) of the Tax Act (and any similar provision of any provincial tax legislation) with an Eligible Holder at the amount determined by such Eligible Holder, subject to the limitations set out in subsection 85(1) or subsection 85(2) of the Tax Act (or any applicable provincial tax legislation).

A tax instruction letter providing certain instructions on how to complete the Tax Election forms may be obtained from the Depository and Information Agent by checking the appropriate box on the Letter of Transmittal





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and delivering the Letter of Transmittal to the Depositary and Information Agent at or before the Expiry Time in accordance with the procedures set out in Section 3 of the Offer, “Manner of Acceptance – Letter of Transmittal”.

To make a Tax Election, an Eligible Holder must provide the necessary information in accordance with the procedures set out in the tax instruction letter within 60 days after the Expiry Time. The information will include the number of Common Shares transferred, the consideration received and the applicable Elected Amount for the purposes of such election. Subject to the information complying with the provisions of the Tax Act (and any applicable provincial income tax law), a copy of the election form containing the information provided will be signed by Alamos and returned to the Eligible Holder for filing with the CRA (or the applicable provincial tax authority). Each Eligible Holder is solely responsible for ensuring the Tax Election is completed correctly and filed with the CRA (and any applicable provincial tax authorities) by the required deadline.

Alamos will make a Tax Election only with an Eligible Holder, and at the amount selected by the Eligible Holder subject to the limitations set out in the Tax Act (and any applicable provincial tax legislation). Neither Alamos nor Aurizon will be responsible for the proper completion or filing of any election form and the Eligible Holder will be solely responsible for the payment of any late filing penalty. Alamos agrees only to execute any election form containing information provided by the Eligible Holder which complies with the provisions of the Tax Act (and any applicable provincial tax law) and to return such election form to the Eligible Holder for filing with the CRA (and any applicable provincial tax authority). At its sole discretion, Alamos may accept and execute an election form that is not received within the 60 day period; however, no assurances can be given that Alamos will do so. Accordingly, all Eligible Holders who wish to make a joint election with Alamos should give their immediate attention to this matter. **With the exception of execution of the election form by Alamos, compliance with the requirements for a valid Tax Election will be the sole responsibility of the Eligible Holder making the election.** Accordingly, none of Alamos, Aurizon or the Depositary and Information Agent will be responsible or liable for taxes, interest, penalties, damages or expenses resulting from the failure by anyone to provide information necessary for the election in accordance with the procedures set out in the tax instruction letter, to properly complete any election or to properly file it within the time prescribed and in the form prescribed under the Tax Act (or the corresponding provisions of any applicable provincial tax legislation).

For the CRA (and where applicable the provincial revenue authorities) to accept a Tax Election without a late filing penalty being paid by an Eligible Holder, the election form must be received by such revenue authorities on or before the day that is the earliest of the days on or before which either Alamos or the Eligible Holder (or any partner thereof where the Eligible Holder is a partnership) is required to file an income tax return for the taxation year in which the disposition occurs. Alamos’ 2013 taxation year is scheduled to end on December 31, 2013, although Alamos’ taxation year may end earlier as a result of an event such as an amalgamation, and its tax return is required to be filed within six months from the end of the taxation year. Eligible Holders are urged to consult their own advisors as soon as possible respecting the deadlines applicable to their own particular circumstances. **However, regardless of such deadlines, information necessary for an Eligible Holder to make a Tax Election must be received by Alamos in accordance with the procedures set out in the tax instruction letter no later than 60 days after the Expiry Time.**

**Any Eligible Holder who does not ensure that information necessary to make an election has been received in accordance with the procedures set out in the tax instruction letter within 60 days after the Expiry Time will not be able to benefit from the tax deferral provisions in subsections 85(1) and 85(2) of the Tax Act (or the corresponding provisions of any applicable provincial tax legislation). Accordingly, all Eligible Holders who wish to make a Tax Election with Alamos should give their immediate attention to this matter. The instructions for requesting a tax instruction letter are set out in the Letter of Transmittal. Eligible Holders are referred to Information Circular 76-19R3 and Interpretation Bulletin IT-291R3 issued by the CRA for further information respecting the Tax Election. Eligible Holders wishing to make the Tax Election should consult their own tax advisors. The comments herein with respect to the Tax Election are provided for general assistance only. The law in this area is complex and contains numerous technical requirements.**

#### Taxation of Capital Gains and Capital Losses

Generally, a Resident Shareholder will be required to include in computing its income for a taxation year one-half of the amount of any capital gain (a “**taxable capital gain**”) realized by it in that year. A Resident Shareholder will be required to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) realized in a taxation year from taxable capital gains realized by the

Resident Shareholder in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back to any of the three

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preceding taxation years or carried forward to any subsequent taxation year and deducted against net taxable capital gains realized in such years, subject to and in accordance with the detailed rules contained in the Tax Act.

The amount of any capital loss realized on the disposition of a Common Share or an Alamos Share by a Resident Shareholder that is a corporation may, to the extent and under the circumstances specified by the Tax Act, be reduced by the amount of any dividends received or deemed to have been received by the corporation on such share (or on a share for which such share is substituted or exchanged). Similar rules may apply where shares are owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Resident Shareholders to whom these rules may be relevant should consult their own advisors.

A Resident Shareholder that is throughout the year a “Canadian-controlled private corporation”, as defined in the Tax Act, may be liable to pay an additional refundable tax on certain investment income, including taxable capital gains realized, interest and certain dividends. Capital gains realized by a Resident Shareholder who is an individual or a trust, other than certain specified trusts, will be taken into account in determining liability for alternative minimum tax under the Tax Act.

#### *Disposition of Common Shares Pursuant to a Compulsory Acquisition or Compelled Acquisition*

As described in Section 15 of the Circular, “Acquisition of Common Shares Not Deposited Under the Offer – Compulsory Acquisition” and “Acquisition of Common Shares Not Deposited Under the Offer – Compelled Acquisition”, Alamos may, in certain circumstances, acquire or be required to acquire Common Shares not deposited pursuant to the Offer pursuant to statutory rights of purchase under section 300 of the BCBCA. The income tax consequences to a Resident Shareholder of a disposition of Common Shares in such circumstances generally will be as described under the heading “– Disposition of Common Shares Pursuant to the Offer – Exchange of Common Shares for Cash only or a Combination of Alamos Shares and Cash – No Tax Election” above, “– Disposition of Common Shares Pursuant to the Offer – Exchange of Common Shares for Alamos Shares Only” above, or “– Disposition of Common Shares Pursuant to the Offer – Exchange of Common Shares for Alamos Shares only or a Combination of Alamos Shares and Cash – Tax Election” above, as the case may be, unless a Resident Shareholder exercises the right to go to court for a determination of fair value in a Compulsory Acquisition and is entitled to receive the fair value of the Resident Shareholder’s Common Shares. In this case, the proceeds of disposition for the Resident Shareholder’s Common Shares will be the amount (other than interest) determined by the court. The Resident Shareholder will be required to include in computing its income any interest awarded by the court in connection with a Compulsory Acquisition.

**Resident Shareholders should consult their own tax advisors with respect to the potential income tax consequences to them of having their Common Shares acquired pursuant to a Compulsory Acquisition or a Compelled Acquisition.**

#### *Disposition of Common Shares Pursuant to a Subsequent Acquisition Transaction*

As described in Section 15 of the Circular, “Acquisition of Common Shares Not Deposited Under the Offer – Subsequent Acquisition Transaction”, if Alamos does not acquire all of the Common Shares pursuant to the Offer or by means of a Compulsory Acquisition or a Compelled Acquisition, Alamos may propose other means of acquiring the remaining issued and outstanding Common Shares.

The income tax treatment of a Subsequent Acquisition Transaction to a Resident Shareholder will depend upon the exact manner in which the Subsequent Acquisition Transaction is carried out and the consideration offered. Alamos may propose an amalgamation, arrangement, reorganization, consolidation, recapitalization, reclassification, continuance or other transaction. It is not possible to comment as to the tax treatment of a Subsequent Acquisition Transaction to a Resident Shareholder until the form of any Subsequent Acquisition Transaction is determined. However, the income tax consequences of a Subsequent Acquisition Transaction may differ from those arising on the disposition of Common Shares under the Offer and will depend on the particular form and circumstances of such alternative transaction. For example, a Resident Shareholder may, as a result of a Subsequent Acquisition Transaction, realize a capital gain or capital loss, be deemed to receive a dividend or incur both results. No opinion is expressed herein as to the income tax consequences of any such alternative transaction to a Resident Shareholder.

**Resident Shareholders should consult their own tax advisors with respect to the potential income tax consequences to them of having their Common Shares acquired pursuant to a Subsequent Acquisition Transaction.**



As described in Section 18 of the Circular, “Effect of the Offer on the Market for and Listing of Common Shares and Status as a Reporting Issuer”, the Common Shares may cease to be listed on the TSX and the NYSE MKT following the completion of the Offer. Resident Shareholders are cautioned that, if the Common Shares are no longer listed on a “designated stock exchange” (which currently includes the TSX and the NYSE MKT) and Aurizon ceases to be a “public corporation” for purposes of the Tax Act, the Common Shares will not be qualified investments for trusts governed by registered retirement savings plans (“RRSPs”), registered retirement income funds (“RRIFs”), registered education savings plans, registered disability savings plans, deferred profit sharing plans and tax-free savings accounts (“TFSAs”). Resident Shareholders who hold the Common Shares in such trusts should consult their own tax advisors with respect to the potential income tax consequences to them in this regard.

*Holding and Disposing of Alamos Shares*

A Resident Shareholder will be required to include in computing its income for a taxation year any dividends received (or deemed to be received) on the Alamos Shares. In the case of a Resident Shareholder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit applicable to any dividends designated by Alamos as eligible dividends in accordance with the provisions of the Tax Act. A dividend received (or deemed to be received) by a Resident Shareholder that is a corporation will generally be deductible in computing the corporation’s taxable income.

A Resident Shareholder that is a “private corporation”, as defined in the Tax Act, or any other corporation controlled, whether because of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), will generally be liable to pay a refundable tax of 33<sup>1</sup>/<sub>3</sub>% under Part IV of the Tax Act on dividends received (or deemed to be received) on the Alamos Shares to the extent such dividends are deductible in computing the Resident Shareholder’s taxable income for the taxation year.

The disposition or deemed disposition of Alamos Shares by a Resident Shareholder (other than to Alamos) will generally result in a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base to the Resident Shareholder immediately before the disposition. See “– Disposition of Common Shares Pursuant to the Offer – Taxation of Capital Gains and Capital Losses” above for a general description of the treatment of capital gains and losses under the Tax Act.

*Eligibility for Investment*

Alamos Shares will be qualified investments under the Tax Act for a trust governed by an RRSP, RRIF, registered education savings plan, registered disability savings plan, deferred profit sharing plan or a TFSA, at any particular time, provided that, at that time, the Alamos Shares are listed on a “designated stock exchange” (which currently includes the TSX and the NYSE) or Alamos is a “public corporation” as defined in the Tax Act.

Notwithstanding that Alamos Shares may be qualified investments, a holder of a TFSA or an annuitant of a RRSP or RRIF will be subject to a penalty tax if the Alamos Shares are a “prohibited investment” (as defined in the Tax Act) for a trust governed by a TFSA, RRSP or RRIF. An Alamos Share will generally be a “prohibited investment” for a trust governed by a TFSA, RRSP or RRIF if the holder of the TFSA or the annuitant of the RRSP or RRIF, as the case may be, does not deal at arm’s length with Alamos for purposes of the Tax Act or has a “significant interest” (for purposes of the “prohibited investment” rules in the Tax Act) in Alamos. Generally, Alamos Shares will not be a “prohibited investment” to such holder or annuitant, as the case may be, if, at the relevant time, at least 90% of the fair market value of all “equity” of Alamos is owned by persons dealing at arm’s length with such holder or annuitant, and certain other criteria are met. Holders of TFSAs and annuitants of RRSPs or RRIFs should consult their own advisors in this regard.

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## ***Shareholders Not Resident in Canada***

This part of the summary is generally applicable to a Shareholder who, at all relevant times, for purposes of the Tax Act and any applicable income tax treaty, is neither resident nor deemed to be resident in Canada, and does not use or hold, and is not deemed to use or hold, Common Shares in connection with carrying on a business in Canada (a “**Non-Resident Shareholder**”). This part of the summary is not applicable to Non-Resident Shareholders that are insurers carrying on an insurance business in Canada and elsewhere.

### *Disposition of Common Shares Pursuant to the Offer*

#### Exchange of Common Shares for Alamos Shares and/or Cash – No Tax Election

A Non-Resident Shareholder will not be subject to tax under the Tax Act on any capital gain realized on a disposition of Common Shares pursuant to the Offer unless those Common Shares constitute “taxable Canadian property” and are not “treaty-protected property” of the Shareholder.

Generally, a Common Share will not be “taxable Canadian property” to a Non-Resident Shareholder at a particular time provided that such share is listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the TSX and the NYSE MKT) unless at any time during the 60-month period immediately preceding the disposition (i) the Non-Resident Shareholder, persons with whom the Non-Resident Shareholder did not deal at arm’s length, or the Non-Resident Shareholder together with all such persons, owned 25% or more of the issued shares of any class or series of shares of the capital stock of Aurizon, and (ii) more than 50% of the fair market value of the Common Share was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, “Canadian resource properties” (as defined in the Tax Act), “timber resource properties” (as defined in the Tax Act), and options in respect of, or interests in, or for civil law rights in, any such properties (whether or not such property exists). Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, Common Shares may be deemed to be taxable Canadian property to the Non-Resident Shareholder. Non-Resident Shareholders whose Common Shares may constitute taxable Canadian property should consult their own tax advisors for advice having regard to their particular circumstances.

Even if the Common Shares are taxable Canadian property to a Non-Resident Shareholder, a taxable capital gain or an allowable capital loss resulting from the disposition of the Common Shares will not be included in computing the Non-Resident Shareholder’s income for purposes of the Tax Act provided that the Common Shares constitute “treaty-protected property”, as defined in the Tax Act. Common Shares owned by a Non-Resident Shareholder will generally be treaty-protected property at the time of the disposition if the gain from the disposition of such shares would, because of an applicable income tax treaty or convention to which Canada is a signatory, be exempt from tax under the Tax Act.

In the event that the Common Shares constitute taxable Canadian property but not treaty-protected property to a particular Non-Resident Shareholder on the disposition thereof pursuant to the Offer, such Non-Resident Shareholder will realize a capital gain (or capital loss) generally in the circumstances and computed in the manner described above under “Shareholders Residents in Canada – Disposition of Common Shares pursuant to the Offer”. Such non-resident Shareholder, however, may be entitled to the automatic tax deferral provisions of section 85.1 of the Tax Act as described above where the Non-Resident Shareholder receives only Alamos Shares as consideration for depositing Common Shares to the Offer. If section 85.1 of the Tax Act applies, the Alamos Shares received in exchange for Common Shares that constituted taxable Canadian property to such Non-Resident Shareholder may be deemed to be taxable Canadian property to such Non-Resident Shareholder.

In the event that the Common Shares constitute taxable Canadian property and the disposition of such Common Shares by a Non-Resident Shareholder gives rise to a capital gain which is not exempt from Canadian tax under the terms of an applicable income tax treaty or convention, the income tax consequences as described above under “Shareholders Residents in Canada – Taxation of Capital Gains and Capital Losses” will generally apply. Non-Resident Shareholders whose Common Shares are taxable Canadian property should consult their own tax advisors for advice having regard to their particular circumstances.

#### Exchange of Common Shares for Alamos Shares only or a Combination of Alamos Shares and Cash – Tax Election

In the event that Common Shares constitute taxable Canadian property but not treaty-protected property to a particular Non-Resident Shareholder, and such Non-Resident Shareholder receives Alamos Shares only or a combination of cash and Alamos Shares, then the Non-Resident Shareholder will be an Eligible Holder and may



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require Alamos to jointly execute for filing with the CRA a Tax Election for the purpose of allowing the Eligible Holder to achieve a full or partial income tax deferral for Canadian federal income tax purposes. Alamos will be required to execute the form and send it to the Eligible Holder only if the Eligible Holder complies with the requirements set forth under “Shareholders Resident in Canada – Disposition of Common Shares Pursuant to the Offer – Exchange of Common Shares for Alamos Shares only or a Combination of Alamos Shares and Cash – Tax Election” on the same basis as if the Non-Resident Shareholder were a Resident Shareholder thereunder. If the Eligible Holder complies with those requirements, generally the exchange may occur on a fully or partially income tax-deferred basis as described above under “Shareholders Resident in Canada – Disposition of Common Shares Pursuant to the Offer – Exchange of Common Shares for Alamos Shares only or a Combination of Alamos Shares and Cash – Tax Election” on the same basis as if the Non-Resident Shareholder were a Resident Shareholder thereunder.

The Alamos Shares that such Eligible Holders receive for the Common Shares will generally be deemed to be taxable Canadian property. Non-Resident Shareholders who are Eligible Holders should consult their own tax advisors in this regard.

#### *Disposition of Common Shares Pursuant to a Compulsory Acquisition or Compelled Acquisition*

As described in Section 15 of the Circular, “Acquisition of Common Shares Not Deposited Under the Offer – Compulsory Acquisition” and “Acquisition of Common Shares Not Deposited Under the Offer – Compelled Acquisition”, Alamos may, in certain circumstances, acquire or be required to acquire Common Shares not deposited pursuant to the Offer pursuant to statutory rights of purchase under section 300 of the BCBCA.

A Non-Resident Shareholder whose Common Shares do not constitute taxable Canadian property will not be subject to tax under the Tax Act in respect of any capital gain realized on the disposition of Common Shares by way of a Compulsory Acquisition or a Compelled Acquisition.

Whether a Common Share is considered to be taxable Canadian property at the time of a disposition by way of a Compulsory Acquisition or a Compelled Acquisition will generally be determined as described above (see “Shareholders Not Resident in Canada – Disposition of Common Shares Pursuant to the Offer”) except that more stringent rules may be applied where the Common Shares cease to be listed on a designated stock exchange (see “Shareholders Not Resident in Canada – Potential Delisting”).

A Non-Resident Shareholder whose Common Shares are taxable Canadian property for purposes of the Tax Act may be subject to tax under the Tax Act in respect of any capital gain realized on the disposition of Common Shares by way of a Compulsory Acquisition or a Compelled Acquisition unless the Common Shares constitute treaty-protected property, such Non-Resident Shareholder receives only Alamos Shares as consideration for Common Shares of the Non-Resident Shareholder or a valid Tax Election is made in respect of the disposition of Common Shares by the Non-Resident Shareholder. See “Shareholders Not Resident in Canada – Disposition of Common Shares Pursuant to the Offer – Exchange of Common Shares for Alamos Shares and/or Cash – No Tax Election” or (if a valid Tax Election is made) “Shareholders Not Resident in Canada – Disposition of Common Shares Pursuant to the Offer – Exchange of Common Shares for Alamos Shares only or a Combination of Alamos Shares and Cash – Tax Election”.

Generally, where interest is paid or credited to a Non-Resident Shareholder in connection with a Compulsory Acquisition, the Non-Resident Shareholder will not be subject to Canadian withholding tax on such interest under the Tax Act.

**Non-Resident Shareholders should consult their own tax advisors with respect to the potential income tax consequences to them of having their Common Shares acquired pursuant to a Compulsory Acquisition or a Compelled Acquisition.**

#### *Disposition of Common Shares Pursuant to a Subsequent Acquisition Transaction*

As described in Section 15 of the Circular, “Acquisition of Common Shares Not Deposited Under the Offer – Subsequent Acquisition Transaction”, if Alamos does not acquire all of the Common Shares pursuant to the Offer or by means of a Compulsory Acquisition or a Compelled Acquisition, Alamos may propose other means of acquiring the remaining issued and outstanding Common Shares.

The income tax treatment of a Subsequent Acquisition Transaction to a Non-Resident Shareholder will depend upon the exact manner in which the Subsequent Acquisition Transaction is carried out and the consideration



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offered. Alamos may propose an amalgamation, arrangement, reorganization, consolidation, recapitalization, reclassification, continuance or other transaction. It is not possible to comment as to the income tax treatment of a Subsequent Acquisition Transaction to a Non-Resident Shareholder until the form of any Subsequent Acquisition Transaction is determined. However, the income tax consequences of a Subsequent Acquisition Transaction may differ from those arising on the sale of Common Shares under the Offer and will depend on the particular form and circumstances of such Subsequent Acquisition Transaction. For example, a Non-Resident Shareholder may, as a result of a Subsequent Acquisition Transaction, realize a capital gain or capital loss, be deemed to receive a dividend or incur both results. No opinion is expressed herein as to the tax consequences of any such Subsequent Acquisition Transaction to a Non-Resident Shareholder.

Dividends, including deemed dividends, paid or credited to a Non-Resident Shareholder will be subject to Canadian withholding tax at a rate of 25%, subject to any reduction in the rate of withholding to which the Non-Resident Shareholder may be entitled under any applicable income tax treaty or convention. For example, in the case of a Non-Resident Shareholder that is a resident of the United States for purposes of, and is fully-entitled to the benefits under, the Canada-United States Income Tax Convention (1980), this rate will generally be reduced to 15%.

**Non-Resident Shareholders should consult their own tax advisors for advice with respect to the income tax consequences to them of having their Common Shares acquired pursuant to a Subsequent Acquisition Transaction.**

#### *Potential Delisting*

As described in Section 18 of the Circular, “Effect of the Offer on the Market for and Listing of Common Shares and Status as a Reporting Issuer”, Common Shares may cease to be listed on the TSX and the NYSE MKT (or another designated stock exchange) following the completion of the Offer and may not be listed on the TSX or the NYSE MKT (or another designated stock exchange) at the time of their disposition pursuant to a Compulsory Acquisition or a Subsequent Acquisition Transaction.

Non-Resident Shareholders who do not dispose of their Common Shares pursuant to the Offer are cautioned that Common Shares that are not listed on a designated stock exchange at the time of their disposition will be considered taxable Canadian property of the Non-Resident Shareholder, if at any time within the 60-month period immediately preceding the disposition, more than 50% of the fair market value of the Common Shares was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, “Canadian resource properties” (as defined in the Tax Act), “timber resource properties” (as defined in the Tax Act), and options in respect of, or interests in, or for civil law rights in, any such properties (whether or not such property exists).

Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, Common Shares may be deemed to be taxable Canadian property.

If the Common Shares are taxable Canadian property of the Non-Resident Shareholder at the time of their disposition and are not treaty-protected property of the Non-Resident Shareholder for purposes of the Tax Act, the Non-Resident Shareholder may be subject to tax under the Tax Act in respect of any capital gain realized on the disposition. Furthermore, if the Common Shares are not listed on a recognized stock exchange at the time of their disposition and are not treaty-protected property of the Non-Resident Shareholder for purposes of the Tax Act, the notification and withholding provisions of section 116 of the Tax Act will apply to the Non-Resident Shareholder with the result that, among other things, unless Alamos has received a clearance certificate, pursuant to section 116 of the Tax Act, relating to the disposition of a Non-Resident Shareholder’s Common Shares, Alamos may deduct or withhold 25% from any payment made to the Non-Resident Shareholder and will remit such amount to the Receiver General of Canada on account of the Non-Resident Shareholder’s liability for tax under the Tax Act.

**Non-Resident Shareholders should consult their own tax advisors in this regard.**

#### *Holding and Disposing of Alamos Shares*

Dividends paid or deemed to be paid to a Non-Resident Shareholder on Alamos Shares will be subject to non-resident withholding tax at the rate of 25% unless the rate is reduced under the provisions of an applicable tax treaty or convention. For example, in the case of a Non-Resident Shareholder that is a resident of the United States for purposes of, and is fully-entitled to the benefits under, the Canada-United States Income Tax Convention (1980), this rate will generally be reduced to 15%.



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A Non-Resident Shareholder will generally not be liable to Canadian income tax on a disposition or deemed disposition of Alamos Shares unless the Non-Resident Shareholder's Alamos Shares are, or are deemed to be, taxable Canadian property and are not treaty-protected property of the Non-Resident Shareholder at the time of disposition.

## **20. U.S. Federal Income Tax Considerations**

**United States Internal Revenue Service (“IRS”) Circular 230 Notice:** To ensure compliance with Internal Revenue Service Circular 230, Shareholders are hereby notified that: (i) any discussion of United States federal tax issues contained or referred to in this Circular or in any document referred to herein is not intended or written to be used, and cannot be used by Shareholders, for the purpose of avoiding penalties that may be imposed on them under the United States Internal Revenue Code of 1986, as amended (the “Code”); (ii) such discussion is written for use in connection with the promotion or marketing of the transactions or matters addressed herein; and (iii) Shareholders should seek advice based on their particular circumstances from an independent tax advisor.

The following is a discussion, as of the date of this Circular, of certain material U.S. federal income tax considerations applicable to U.S. Holders (as defined below) as a result of (i) disposing of Common Shares pursuant to the Offer, and, if applicable, (ii) owning and disposing of Alamos Shares received in exchange for Common Shares pursuant to the Offer.

This summary is not, and is not intended to constitute, a complete description of all the potential U.S. federal income tax consequences that may apply to a U.S. Holder as a result of disposing of Common Shares pursuant to the Offer or, if applicable, owning and disposing of Alamos Shares. In addition, this summary does not take into account the individual circumstances of any particular U.S. Holder that may affect the U.S. federal income tax consequences applicable to such holder. Accordingly, this summary is not intended to be legal or U.S. federal income tax advice with respect to any U.S. Holder. Each U.S. Holder should consult an independent tax advisor regarding the U.S. federal, U.S. state and local, and non-U.S. tax consequences of disposing of Common Shares pursuant to the Offer (or one of the subsequent transactions described in Section 15 of the Circular, “Acquisition of Common Shares Not Deposited Under the Offer”) and, if applicable, owning and disposing of Alamos Shares.

No ruling from the IRS or opinion of counsel has been or will be sought on any of the issues discussed below. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, and contrary to, the positions described in this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the IRS and the U.S. courts could disagree with one or more of the positions described in this summary.

### ***Scope of this Disclosure***

This discussion is based on the Code, U.S. Treasury regulations promulgated thereunder, IRS rulings and official pronouncements, and judicial decisions, all as in effect on the date of this Circular and all of which are subject to change, possibly with retroactive effect, or different interpretations, which could affect the accuracy of the statements and conclusions set forth below and the U.S. federal income tax consequences to U.S. Holders. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation or regulations.

For purposes of this summary, a “**U.S. Holder**” means any beneficial owner of Common Shares or Alamos Shares that is: (i) a citizen or individual resident of the United States for U.S. federal tax purposes; (ii) a corporation or other entity treated as a corporation for U.S. federal tax purposes created or organized in or under the laws of the United States, any state thereof, or the District of Columbia; (iii) an estate, the income of which is subject to U.S. federal income tax regardless of the source; or (iv) a trust, if a court within the United States is able to exercise primary supervision over the trust's administration and one or more U.S. persons have the authority to control all of its substantial decisions.

This summary does not address any aspect of United States taxation other than U.S. federal income taxation. This discussion applies only to U.S. Holders who hold Common Shares as capital assets within the meaning of Section 1221 of the Code. This discussion does not address all aspects of U.S. federal income taxation that may be relevant to U.S. Holders in light of their particular circumstances, or that may apply to U.S. Holders subject to special treatment under U.S. federal income tax laws, including, without limitation, insurance companies, tax-exempt organizations, financial institutions, dealers in securities, traders in securities that elect mark-to-market



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treatment, U.S. expatriates, persons who acquired Common Shares pursuant to the exercise of an employee stock option or right or otherwise as compensation, holders of options and warrants, persons who acquired Common Shares pursuant to Convertible Securities, persons who hold Common Shares as part of a straddle, hedge, constructive sale or conversion transaction, persons whose functional currency is not the U.S. dollar, persons that own or have owned, directly or indirectly or constructively, Common Shares or Alamos Shares representing 10% or more of the voting power of Aurizon or Alamos, and persons that own 5% or more (by voting power or value, taking into account certain attribution rules) of the Common Shares prior to disposing of them pursuant to the Offer. U.S. Holders that are subject to special provisions under the Code, including U.S. Holders described above, should consult an independent tax advisor regarding the U.S. federal, U.S. state and local, and non-U.S. tax consequences arising from and relating to the disposition of Common Shares pursuant to the Offer (or one of the subsequent transactions described in Section 15 of the Circular, "Acquisition of Common Shares Not Deposited Under the Offer") and, if applicable, owning and disposing of Alamos Shares.

It is assumed for purposes of this summary that each of Aurizon and Alamos is not, has not at any time been, and will not be after the Offer a "controlled foreign corporation", as such term is defined in Section 957(a) of the Code.

If an entity that is treated as a partnership for U.S. federal income tax purposes holds Common Shares or Alamos Shares, the U.S. federal income tax treatment of such partnership and a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. Owners of entities that are classified as partnerships for U.S. federal income tax purposes should consult an independent tax advisor regarding the U.S. federal income tax consequences arising from and relating to the disposition of their Common Shares pursuant to the Offer (or one of the subsequent transactions described in Section 15 of the Circular, "Acquisition of Common Shares Not Deposited Under the Offer") and, if applicable, owning and disposing of Alamos Shares.

This summary does not, and does not intend to, discuss the U.S. gift, inheritance, estate, state, local or non-U.S. tax consequences to U.S. Holders of the disposition of their Common Shares pursuant to the Offer (or one of the subsequent transactions described in Section 15 of the Circular, "Acquisition of Common Shares Not Deposited Under the Offer") and, if applicable, owning and disposing of Alamos Shares. Nor does this summary address any tax consequences to a beneficial owner of Common Shares that is not a U.S. Holder. Any holder that is among the classes of persons described in this paragraph should consult an independent tax advisor regarding the U.S. federal, estate, state, local and non-U.S. tax consequences arising from and relating to the disposition of Common Shares pursuant to the Offer (or one of the subsequent transactions described in Section 15 of the Circular, "Acquisition of Common Shares Not Deposited Under the Offer") and, if applicable, owning and disposing of Alamos Shares.

## ***The Offer***

### ***Disposition of Common Shares for Cash Only***

Subject to the discussion below regarding passive foreign investment company ("PFIC") considerations, a U.S. Holder who elects the Cash Alternative and disposes of all of such holder's Common Shares for cash, and thus receives no Alamos Shares pursuant to the Offer, will recognize gain or loss equal to the difference, if any, between the U.S. dollar value of the cash consideration received and the U.S. Holder's adjusted tax basis in the Common Shares surrendered therefor. Such gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if such holder's Common Shares have been held for more than one year on the date of disposition. Preferential tax rates may apply to long-term capital gains of a U.S. Holder that is an individual, estate, or trust. Capital gains recognized by non-corporate U.S. Holders may be subject to an additional Medicare tax on unearned income of 3.8%, as described below under "Recently Enacted Legislation". The deductibility of capital losses is subject to limitations under the Code. The U.S. tax consequences of the receipt of cash denominated in Canadian currency and later converted into U.S. currency are discussed below under "Currency Gain or Loss".

Notwithstanding the foregoing, if Aurizon has been a PFIC at any time during a U.S. Holder's holding period for Common Shares (and assuming certain elections have not been made), any gain recognized will be allocated ratably over the U.S. Holder's holding period for its Common Shares. Amounts allocated to the current taxable year and to any years before Aurizon became a PFIC will be treated as ordinary income in the U.S. Holder's current taxable year. In addition, amounts allocated to each taxable year beginning with the taxable year Aurizon first became a PFIC will be taxed at the highest rate in effect for that taxable year on ordinary income. This tax will be subject to an interest charge at the rate applicable to underpayments of income tax.





**Taxable Transaction Treatment.** Unless Aurizon amalgamates with a subsidiary of Alamos following the Offer (or a Subsequent Acquisition Transaction) and certain other requirements are met, a U.S. Holder's disposition of its Common Shares pursuant to the Offer (or a Subsequent Acquisition Transaction) generally will be a taxable transaction for U.S. federal income tax purposes. If the disposition of Common Shares for Alamos Shares and/or cash is treated as a taxable transaction, subject to the discussion below regarding PFIC considerations, a U.S. Holder will recognize gain or loss equal to the difference between (i) the amount realized and (ii) such U.S. Holder's adjusted tax basis in its Common Shares. The amount realized is the fair market value of the Alamos Shares and/or cash received (determined in U.S. dollars). Such gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if such holder's Common Shares have been held for more than one year on the date of disposition. Preferential tax rates may apply to long-term capital gains of a U.S. Holder that is an individual, estate, or trust. Capital gains recognized by non-corporate U.S. Holders may be subject to an additional Medicare tax on unearned income of 3.8%, as described below under "Recently Enacted Legislation". The deductibility of capital losses is subject to limitations under the Code. For U.S. federal income tax purposes, a U.S. Holder's basis in any Alamos Shares received will be equal to the fair market value of such shares on the date of their acquisition, and a U.S. Holder's holding period with respect to such Alamos Shares will begin on the next day.

Notwithstanding the foregoing, if Aurizon has been a PFIC at any time during a U.S. Holder's holding period for Common Shares (and assuming certain elections have not been made), then consequences similar to those described in the second paragraph above under "Disposition of Common Shares for Cash Only" would apply.

**Tax-Deferred Reorganization Treatment.** If Aurizon amalgamates with a subsidiary of Alamos following the Offer (or a Subsequent Acquisition Transaction) and certain other requirements are met, then, although there is limited authority and thus substantial uncertainty, the disposition of Common Shares for Alamos Shares and/or cash pursuant to the Offer (or a Subsequent Acquisition Transaction) may be treated for U.S. federal income tax purposes as an exchange pursuant to a reorganization within the meaning of Section 368(a) of the Code and treated as a tax-deferred transaction (the "**Exchange Transaction**") provided the Exchange Transaction and subsequent amalgamation are treated as a single integrated transaction. It is possible that the IRS could assert that the Offer and the subsequent amalgamation should not be treated as a single integrated transaction entitled to tax deferral and that a court would agree with such an assertion. If the Exchange Transaction qualifies as a Section 368(a) reorganization, subject to the discussion below regarding PFIC considerations, a U.S. Holder will only recognize gain, as a result of the Exchange Transaction, to the extent of the U.S. dollar value of any cash received in the Exchange Transaction and will not recognize any loss. The aggregate adjusted tax basis of a U.S. Holder in Alamos Shares received in the Exchange Transaction will equal such U.S. Holder's aggregate adjusted tax basis in its Common Shares exchanged therefor, increased by the amount of gain recognized and decreased by the U.S. dollar value of cash received by such U.S. Holder in the Exchange Transaction. The holding period of a U.S. Holder in the Alamos Shares received in the Exchange Transaction will include such U.S. Holder's holding period in its Common Shares exchanged therefor.

If a U.S. Holder receives cash in exchange for its Common Shares in the Exchange Transaction, the amount of gain that such U.S. Holder must recognize will equal the lesser of (i) the U.S. dollar value of cash received or (ii) the excess, if any, of (a) the sum of the fair market value of Alamos Shares and cash received (determined in U.S. dollars) over (b) such U.S. Holder's adjusted tax basis in its Common Shares surrendered in the Exchange Transaction. The amount of gain recognized by a U.S. Holder that "has the effect of the distribution of a dividend" will be treated as dividend income to the extent of such U.S. Holder's ratable share of the undistributed accumulated earnings and profits of Aurizon as of the date of the exchange, and any excess will be treated as gain from the exchange of property. Gain that is not treated as dividend income will be capital gain, which will be treated as long-term capital gain if such U.S. Holder's holding period in its Common Shares exceeds one year as of the date of the exchange. U.S. Holders are urged to consult an independent tax advisor regarding the application of the foregoing rules.

In addition, U.S. Holders that exchange Common Shares for Alamos Shares in the Exchange Transaction generally will be required to report certain information to the IRS on their U.S. federal income tax returns for the taxable year in which the Exchange Transaction and the amalgamation occur and to retain certain records related to the Exchange Transaction.

Notwithstanding the foregoing, if Aurizon has been a PFIC at any time during a U.S. Holder's holding period for Common Shares, then under proposed U.S. Treasury regulations, the Exchange Transaction may



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constitute a fully taxable transaction for U.S. federal income tax purposes (with the consequences described above under “Taxable Transaction Treatment”) with respect to such holder, unless either a “qualified electing fund” election was made by such holder for the first year of such holder’s holding period that Aurizon was a PFIC or Alamos also constitutes a PFIC at the time of the Exchange Transaction. As described below, Alamos does not believe that it is a PFIC. According to its public filings, Aurizon believes that it was not a PFIC for its taxable year ended December 31, 2011. However, no assurances can be provided as to the PFIC status of either Alamos or Aurizon.

**U.S. Holders should consult their own tax advisors regarding the consequences of the Offer (or one of the subsequent transactions described in Section 15 of the Circular, “Acquisition of Common Shares Not Deposited Under the Offer”) including whether to report the Exchange Transaction as a tax-deferred exchange and the consequences if the Offer and any subsequent amalgamation are not treated as integrated or if the Exchange Transaction is otherwise not treated as a tax-deferred exchange.**

#### *Possible PFIC Status of Aurizon*

Generally, a non-U.S. corporation will be treated as a PFIC for U.S. federal income tax purposes in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to certain “look through” rules, either (i) at least 75% of its gross income is “passive income” or (ii) at least 50% of the average value of its assets is attributable to assets that produce “passive” income or are held for the production of “passive” income. For this purpose, “passive” income includes, among other things, dividends, interest, certain rents, certain royalties, and gains from the disposition of property that produce such passive income. If a non-U.S. corporation is a PFIC in any taxable year that a U.S. person holds shares or certain options to acquire shares, the non-U.S. corporation generally will continue to be treated as a PFIC with respect to the U.S. person for all subsequent years in which the U.S. person holds shares unless the U.S. person has made certain elections to mitigate the U.S. federal income tax consequences of holding shares of a PFIC.

In its annual filing with the SEC for the fiscal year ended December 31, 2011, Aurizon disclosed that, based on the composition of its income and assets, it does not believe that it was a PFIC for its taxable year ended December 31, 2011. However, because the determination of a corporation’s PFIC status is a factual determination that is made at the close of a taxable year and is subject to change, there can be no assurance that Aurizon will not be a PFIC in 2013, was not a PFIC in 2012 or any previous year or will not become a PFIC in any future taxable year. Each U.S. Holder should consult an independent tax advisor regarding the potential application of the PFIC rules to Aurizon during such U.S. Holder’s holding period for its Common Shares.

#### *Foreign Tax Credit*

A U.S. Holder that pays (directly or through withholding) Canadian income taxes in connection with the Offer may be entitled to claim a deduction or credit for U.S. federal income tax purposes, subject to a number of complex rules and limitations. Gain or loss recognized by a U.S. Holder on the disposition of Common Shares generally will be from U.S. sources for foreign tax credit purposes. U.S. Holders should consult an independent tax advisor regarding the foreign tax credit implications of disposing of Common Shares in the Offer.

#### *Currency Gain or Loss*

A U.S. Holder using the cash method of accounting who tenders and sells its Common Shares in exchange for cash and who receives payment in Canadian dollars will be considered to have realized an amount equal to the U.S. dollar value of such Canadian dollars determined at the spot Canadian dollar/U.S. dollar rate on the date payment is made. In the case of a U.S. Holder using the accrual method of accounting, the amount realized for United States federal income tax purposes generally will equal the U.S. dollar value of the Canadian dollars to which such U.S. Holder becomes entitled on the date its Common Shares are accepted for purchase by Alamos, determined at the relevant spot exchange rate in effect on that date. If the Canadian dollars received are not converted into U.S. dollars on the date of receipt, a U.S. Holder will have a basis in the Canadian dollars equal to their U.S. dollar value on the date of receipt. Any U.S. Holder who receives payment in Canadian dollars and engages in a subsequent conversion or other disposition of the Canadian dollars may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally would be from U.S. sources for foreign tax credit purposes. U.S. Holders are urged to consult an independent tax advisor concerning the U.S. tax consequences of acquiring, holding and disposing of Canadian dollars.



Under some circumstances, a U.S. Holder may be subject to U.S. information reporting and backup withholding tax on proceeds from the disposition of Common Shares. Information reporting and backup withholding will not apply, however, to a U.S. Holder that is a corporation or is otherwise exempt from information reporting and backup withholding and, when required, demonstrates this fact. In general, backup withholding also will not apply to a U.S. Holder that timely provides a certified taxpayer identification number on an IRS Form W-9 (or successor form) and otherwise duly and timely complies with the applicable requirements of the backup withholding rules. A U.S. Holder that fails to timely provide the correct taxpayer identification number on IRS Form W-9 (or successor form) may be subject to penalties imposed by the IRS. Backup withholding is not an additional tax, and any amount withheld under these rules will be allowed as a refund or a credit against the U.S. Holder's U.S. federal income tax liability, if the required information is furnished to the IRS in a timely manner.

### ***Subsequent Transactions***

As described in Section 15 of the Circular, "Acquisition of Common Shares Not Deposited Under the Offer", it is Alamos' current intention to enter into one or more transactions to enable Alamos or an affiliate of Alamos to acquire all Common Shares not acquired under the Offer. The U.S. federal income tax considerations with respect to any such subsequent transaction will depend, among other things, on the nature of the transaction and whether Aurizon has been a PFIC during a U.S. Holder's holding period for its Common Shares. Each U.S. Holder should consult an independent tax advisor regarding the U.S. federal income tax considerations with respect to any subsequent transaction to acquire Common Shares.

### ***Ownership of Alamos Shares***

#### ***Distributions on Alamos Shares***

Subject to the discussion below under "PFIC Considerations", the gross amount of any actual or deemed distribution by Alamos (including any Canadian taxes withheld therefrom) with respect to the Alamos Shares will be included in a U.S. Holder's gross income as a dividend to the extent such distribution is paid out of Alamos' current or accumulated earnings and profits, as determined under U.S. federal income tax principles. In general, distributions by a corporation in excess of the corporation's current and accumulated earnings and profits are treated first as a return of capital that reduces a shareholder's tax basis in its shares, and then as capital gain from the sale or other taxable disposition of such shares. Alamos does not intend to maintain calculations of earnings and profits under U.S. federal income tax principles. Accordingly, a U.S. Holder should expect that the full amount of any distribution would be treated as a dividend for U.S. federal income tax purposes. Dividends will not be eligible for the dividends received deduction allowed to U.S. corporations in respect of dividends received from other U.S. corporations. Subject to certain limitations, dividends paid to non-corporate U.S. Holders, including individuals, may be eligible for a reduced rate of taxation if Alamos is deemed to be a "qualified foreign corporation" for U.S. federal income tax purposes. A qualified foreign corporation includes a non-U.S. corporation that is eligible for the benefits of a comprehensive income tax treaty with the United States that includes an exchange of information program and that the U.S. Treasury Department has determined to be satisfactory for purposes of the qualified dividend provisions of the Code. The U.S. Treasury Department has determined that the Canada-United States Income Tax Convention (1980) is satisfactory for purposes of the qualified dividend provisions of the Code. A qualified foreign corporation does not include a non-U.S. corporation that is a PFIC for the taxable year in which a dividend is paid or was a PFIC for the preceding taxable year. Dividends on Alamos Shares should be eligible for this reduced rate of taxation as long as Alamos is not a PFIC and is eligible for the benefits of the Canada-United States Income Tax Convention (1980). The amount of the distribution treated as a dividend paid to non-corporate U.S. Holders may be subject to an additional Medicare tax on unearned income of 3.8%, as described below under "Recently Enacted Legislation".

Any dividends should be treated as foreign source income and passive category income, or, in the case of certain U.S. Holders, general category income for U.S. foreign tax credit limitation purposes. Accordingly, any Canadian tax withheld may, subject to certain limitations, be claimed as a foreign tax credit against a U.S. Holder's federal income tax liability or may be claimed as a deduction for U.S. federal income tax purposes. The rules relating to foreign tax credits are complex and the availability of a foreign tax credit depends on numerous factors. U.S. Holders should consult an independent tax advisor concerning the application of the U.S. foreign tax credit rules to their particular situations.



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The gross amount of distributions paid in Canadian dollars will be included in gross income by each U.S. Holder using the cash method of accounting in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day the distributions are paid, regardless of whether the payment is in fact converted into U.S. dollars on such date. If the Canadian dollars are converted into U.S. dollars on the date of the payment, the U.S. Holder will not be required to recognize any foreign currency gain or loss with respect to the receipt of the Canadian dollar distributions. If the Canadian dollars are converted at a later date, any currency gains or losses resulting from the conversion of the Canadian dollars will be treated as from U.S. sources.

#### *Disposition of Alamos Shares*

Subject to the discussion below under “PFIC Considerations”, upon a sale or other taxable disposition of Alamos Shares, a U.S. Holder will recognize capital gain or loss equal to the difference, if any, between (i) the U.S. dollar value of any property and/or cash received and (ii) the U.S. Holder’s adjusted tax basis in the Alamos Shares in U.S. dollars. Such gain or loss will be long-term capital gain or loss if the Common Shares have been held for more than one year. Preferential tax rates may apply to long-term capital gains of a U.S. Holder that is an individual, estate, or trust. Capital gains recognized by non-corporate U.S. Holders may be subject to an additional Medicare tax on unearned income of 3.8%, as described below under “Recently Enacted Legislation”. The deductibility of capital losses is subject to limitations under the Code. Gain or loss will be from U.S. sources for foreign tax credit limitation purposes.

A U.S. Holder (using the cash method of accounting) will have a tax basis in any Canadian dollars received equal to such currency’s U.S. dollar value determined at the spot rate on the date of payment. Any gain or loss recognized by a U.S. Holder on a sale or other disposition of such Canadian dollars on a subsequent date (including the exchange of such currency for U.S. dollars) will be ordinary income or loss and generally will be from U.S. sources for foreign tax credit limitation purposes.

#### *PFIC Considerations*

Based on the current composition of the income and assets of Alamos and its subsidiaries, Alamos does not believe that it will be a PFIC in the current taxable year, nor does it anticipate that it will become a PFIC in the foreseeable future. However, there can be no assurance that the IRS will not successfully challenge Alamos’ position or that Alamos will not become a PFIC in a future taxable year, as PFIC status is re-tested each year and depends on a corporation’s assets and income in such year.

If Alamos were treated as a PFIC at any time that a U.S. Holder held Alamos Shares, the U.S. Holder generally would be treated as described in the second paragraph above under “The Offer – Disposition of Common Shares for Cash Only” with respect to any gain recognized on a disposition of Alamos Shares and certain “excess distributions” with respect to Alamos Shares. To mitigate certain adverse consequences of the PFIC tax regime, a U.S. Holder could be eligible to make a “mark-to-market” election and thereby agree for the year of the election and each subsequent tax year to recognize ordinary gain or loss (but only to the extent of prior ordinary gain) based on the increase or decrease in market value of the Alamos Shares for such taxable year. In order for a U.S. Holder to make a mark-to-market election, the Alamos Shares must be regularly traded on a qualified exchange (such as the TSX) for U.S. federal income tax purposes. U.S. Holders should consult an independent tax advisor concerning the U.S. federal income tax consequences of holding Alamos Shares if Alamos were to become a PFIC in any taxable year, and the advisability of making a mark-to-market election in its particular circumstances.

#### *Information Reporting and Backup Withholding*

Under some circumstances, a U.S. Holder may be subject to U.S. information reporting and backup withholding tax on distributions paid on, or proceeds from the disposition of, Alamos Shares. Information reporting and backup withholding will not apply, however, to a U.S. Holder that is a corporation or is otherwise exempt from information reporting and backup withholding and, when required, demonstrates this fact. In general, backup withholding also will not apply to a U.S. Holder that timely provides a certified taxpayer identification number on an IRS Form W-9 (or successor form) and otherwise duly and timely complies with the applicable requirements of the backup withholding rules. A U.S. Holder that fails to timely provide the correct taxpayer identification number on IRS Form W-9 (or successor form) may be subject to penalties imposed by the IRS. Backup withholding is not an additional tax, and any amount withheld under these rules will be allowed as a refund or a credit against the U.S. Holder’s U.S. federal income tax liability, if the required information is furnished to the IRS in a timely manner.





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In addition, certain U.S. Holders that hold specified foreign financial assets (which may include Alamos Shares) are required to report information relating to such assets, unless an exception applies. Each U.S. Holder should consult an independent tax advisor regarding the effect, if any, of this reporting requirement on its ownership and disposition of Alamos Shares.

### ***Recently Enacted Legislation***

U.S. Holders who are individuals, estates, or trusts may be required to pay a 3.8% Medicare tax for taxable years beginning on or after January 1, 2013 on the lesser of (i) such U.S. Holder's "modified adjusted gross income" (or "adjusted gross income" in the case of estates and trusts) over certain thresholds and (ii) such U.S. Holder's "net investment income" (or "undistributed net investment income" in the case of estates and trusts). Net investment income generally includes, among other things, a U.S. Holder's dividends and capital gains. Each U.S. Holder should consult an independent tax advisor regarding the implications of this recently enacted legislation.

## **21. U.S. Securities Act and U.S. Exchange Act Requirements**

The Registration Statement and the Tender Offer Statement filed by Alamos with the SEC concerning the Offer, including exhibits thereto, and Alamos' reports and other information filed under the U.S. Exchange Act are available to the public free of charge at the SEC's website at [www.sec.gov](http://www.sec.gov). The Offer and Circular do not contain all of the information set forth in the Registration Statement and the Tender Offer Statement. Reference is made to the Registration Statement, the Tender Offer Statement and the exhibits thereto for further information.

## **22. Documents Incorporated by Reference**

The following documents, filed by Alamos with the various securities commissions or similar regulatory authorities in each of the provinces and territories of Canada in which Alamos is a reporting issuer and with the SEC in the United States, are specifically incorporated by reference in, and form an integral part of, the Offer and Circular:

- (a) Annual Information Form, dated March 29, 2012, for the year ended December 31, 2011;
- (b) annual audited consolidated financial statements for the year ended December 31, 2011, including consolidated statements of financial position as at December 31, 2011, December 31, 2010 and January 1, 2010 and consolidated statements of comprehensive income and changes in equity and cash flows for the years ended December 31, 2011 and December 31, 2010 and related notes, together with the auditors' report thereon, contained therein;
- (c) management's discussion and analysis for the annual audited consolidated financial statements for the year ended December 31, 2011;
- (d) unaudited interim consolidated financial statements for the three and nine months ended September 30, 2012, together with the notes thereto;
- (e) management's discussion and analysis for the unaudited interim consolidated financial statements for the three and nine months ended September 30, 2012; and
- (f) management information circular, dated April 26, 2012, in connection with the annual meeting of shareholders held on May 31, 2012.

All documents of the type referred to above (excluding confidential material change reports) and any material change reports or business acquisition reports subsequently filed by Alamos with any securities commission or similar regulatory authority in Canada on or after the date of the Offer and Circular and prior to the Expiry Time shall be deemed to be incorporated by reference into the Offer and Circular and will be incorporated into the Registration Statement and the Tender Offer Statement of which the Offer and Circular forms a part, by amendment. Notwithstanding the foregoing, any and all portions of such documents that consist of Aurizon public disclosure documents expressly identified as such, and whether or not such portions are reproduced or incorporated by reference into an Alamos document, including, without limitation, Aurizon's financial statements and current Annual Report on Form 40-F, are expressly excluded from such incorporation by reference into the Offer and Circular, and Alamos disclaims any responsibility for such disclosure. None of

Alamos or any of its officers or directors assumes any responsibility for the accuracy or completeness of such Aurizon information or for any failure by Aurizon to disclose events or facts which have occurred or which may affect the significance or accuracy of any such

information but which are unknown to Alamos. Information regarding Aurizon is filed publicly by Aurizon with the securities regulatory authorities in Canada, which information is available electronically on SEDAR at [www.sedar.com](http://www.sedar.com), and with the SEC at [www.sec.gov](http://www.sec.gov).

**Any statement contained herein or in any document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of the Offer and Circular to the extent that a statement contained herein, or in any subsequently filed document which also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying statement or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of the Offer and Circular.**

**Information has been incorporated by reference in the Offer and Circular from documents filed with the securities regulatory authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Vice-President, Legal of Alamos at Suite 2200, 130 Adelaide Street West, Toronto, Ontario M5H 3P5 and (telephone (416) 368-9932) and are also available electronically on SEDAR at [www.sedar.com](http://www.sedar.com).**

Information contained in or otherwise accessed through Alamos' website, [www.alamosgold.com](http://www.alamosgold.com), or any other website (other than information in documents incorporated by reference) does not form part of the Offer and the Circular.

## **23. Documents Filed as Part of the Registration Statement**

The following documents have been filed with the SEC as part of the Registration Statement and the Tender Offer Statement: (i) the Offer and Circular, Letter of Transmittal and Notice of Guaranteed Delivery; (ii) a press release related to the Offer; (iii) a press release related to the earning warning report; (iv) a newspaper advertisement; (v) an early warning report; (vi) the documents listed in the Offer and Circular as incorporated by reference herein; (vii) a share purchase agreement, dated January 13, 2013, between Precious Metals and Minerals Fund, a Series of USAA Mutual Funds Trust and Alamos; (viii) a share purchase agreement, dated January 13, 2013, between Dynamic Precious Metals Fund and Dynamic Strategic Gold Class and Alamos; (ix) a share purchase agreement, dated January 11, 2013, between Van Eck Associates Corporation and Alamos; (x) a share purchase agreement, dated January 10, 2013, between Montrusco Bolton Investments Inc. and Alamos; (xi) powers of attorney pursuant to which the Registration Statement was, or amendments to the Registration Statement may be, signed; and (xii) consents of auditors, counsel and engineers.

## **24. Risk Factors Related to the Offer**

Shareholders should carefully consider the following risk factors related to the Offer. In addition to the risks set out in the documents incorporated by reference in the Offer and Circular (including risks associated with the Alamos Shares), the successful completion of the acquisition by Alamos of all of the Common Shares is subject to certain risks, including as set forth below. Such risks may not be the only risks facing Alamos. Additional risks and uncertainties not presently known may also materially and adversely affect the business, operations, financial condition or prospects of Alamos.

***The actual cash and share consideration received by Shareholders will depend on pro-ration, the Alamos Shares issued in connection with the Offer may have a market value different than expected and the value of the cash portion of the Offer will fluctuate for Shareholders.***

Alamos is offering to purchase Common Shares on the basis of, at the election of each Shareholder, \$4.65 in cash for each Common Share or 0.2801 of an Alamos Share for each Common Share, subject to pro-ration. Assuming that all Shareholders tendered to either the Cash Alternative or the Share Alternative, each Shareholder would be entitled to receive \$2.04 in cash and 0.1572 of an Alamos Share for each Common Share tendered (based on 175,431,302 Common Shares issued and outstanding on a fully diluted basis), subject to adjustment for fractional shares. Because the exchange ratio will not be adjusted to reflect any changes in the market value of Alamos Shares, the market values of the Alamos Shares and the Common Shares at the time of the take-up of Common Shares under the Offer

may vary significantly from the values at the date of the Offer and Circular or the date that Shareholders tender their Common Shares. If the market price of Alamos Shares declines, the value of the consideration received by Shareholders will decline as well. Variations in the market price of Alamos Shares may occur as a result of changes in, or market perceptions of changes in, the business, operations or prospects of Alamos, market assessments of the likelihood the Offer will be consummated, regulatory considerations, general market and

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economic conditions, commodity price changes and other factors over which Alamos has no control. In addition, currency exchange rates may fluctuate and the prevailing exchange rate on the settlement date may be significantly different from the exchange rate on the date of the Offer and Circular or the date that non-Canadian Shareholders tender their Common Shares. These changes may significantly affect the value of the consideration received for tendered Common Shares by non-Canadian Shareholders.

***The integration of Alamos and Aurizon may not occur as planned.***

The anticipated benefits of the Offer, as described in Section 4 of the Circular, “Reasons to Accept the Offer”, will depend in part on whether the operations, systems, management and cultures of Aurizon and Alamos can be integrated in an efficient and effective manner (and the timing and manner of completion of a Compulsory Acquisition or Subsequent Acquisition Transaction). Most operational and strategic decisions, and certain staffing decisions, with respect to the two companies have not yet been made and may not have been fully identified. These decisions and the integration of the two companies will present significant challenges to management, including the integration of systems and personnel of the two companies, and special risks, including possible unanticipated liabilities, significant one-time write-offs or restructuring charges, unanticipated costs and the loss of key employees. There can be no assurance that there will be operational or other synergies realized upon the acquisition of Aurizon, or that the integration of the two companies’ operations, systems, management and cultures will be timely or effectively accomplished, or ultimately will be successful in increasing earnings and reducing costs. In addition, the performance of Aurizon’s operations after consummation of the Offer could be adversely affected if the Alamos cannot retain selected key employees of Aurizon to assist in the integration and operation of Aurizon and Alamos.

***The issuance of Alamos Shares as consideration under the Offer could adversely affect the market price of Alamos Shares after the take up of Common Shares under the Offer.***

If all of the Common Shares are tendered to the Offer, up to 23,500,000 additional Alamos Shares will be available for trading in the public market. Moreover, the overall increase in the number of Alamos Shares may lead to sales of such shares or the perception that such sales may occur, either of which may adversely affect the market for, and the market price of, Alamos Shares. The perceived risk of substantial sales of Alamos Shares, as well as any actual sales of such Alamos Shares in the public market, could adversely affect the market price of the Alamos Shares.

***The acquisition of Aurizon might not be successfully completed without the possibility of Shareholders exercising dissent and appraisal rights in connection with a Compulsory Acquisition or a Subsequent Acquisition Transaction.***

In order for Alamos to acquire all of the issued and outstanding Common Shares, it will likely be necessary, following consummation of the Offer, to effect a Compulsory Acquisition or Subsequent Acquisition Transaction. A Compulsory Acquisition or Subsequent Acquisition Transaction may result in Shareholders having the right to dissent and demand payment of the fair value of their Common Shares. If the statutory procedures governing dissent rights are available and are complied with, this right could lead to judicial determination of the fair value required to be paid to such dissenting Shareholders for their Common Shares that is different from the consideration to be paid pursuant to the Offer. There is no assurance that a Compulsory Acquisition or Subsequent Acquisition Transaction can be completed without Shareholders exercising dissent rights in respect of a substantial number of Common Shares, which could result in the requirement to make a substantial cash payment that could have an adverse effect on Alamos’ financial position and liquidity.

***Following the completion of the Offer and prior to the completion of any Compulsory Acquisition or Subsequent Acquisition Transaction, the trading liquidity for Common Shares not deposited under the Offer will be reduced, which might affect the price of the Common Shares and the ability of a Shareholder to dispose of its Common Shares.***

If the Offer is successful, the liquidity and market value of the remaining Common Shares held by the public could be adversely affected by the fact that they will be held by a smaller number of holders. Depending upon the number of Common Shares acquired pursuant to the Offer, following the completion of the Offer the Common Shares may no longer meet the TSX and NYSE MKT requirements for continued listing. Additionally, to the extent permitted under applicable Laws, stock exchange regulations and other obligations of Aurizon, Alamos intends to seek to cause the delisting of the Common Shares on the TSX and NYSE MKT. If the TSX or NYSE MKT delists the Common Shares, the market for the Common Shares could be adversely affected. Although it is possible that the



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Common Shares could be traded on other securities exchanges or in the over-the-counter market, and the price quotations would be reported by such exchanges or by other sources, there can be no assurance that any such trading or quotations will occur. In addition, the extent of the public market for the Common Shares and the availability of such quotations would depend upon the number of holders and/or the aggregate market value of the Common Shares remaining at such time and the interest in maintaining a market in the Common Shares on the part of securities firms. If the Common Shares are delisted and Aurizon ceases to be a “public corporation” for the purposes of the Tax Act, Common Shares would cease to be qualified investments for trusts governed by RRSPs, registered education savings plans, RRIFs, TFSA's and deferred profit sharing plans. Delisting can also have adverse tax consequences to non-resident Shareholders, as described in Section 19 of the Circular, “Principal Canadian Federal Income Tax Considerations”.

***After consummation of the Offer, Aurizon could be a majority-owned subsidiary of Alamos and Alamos' interest could differ from that of the remaining minority Shareholders.***

After consummation of the Offer (which may result in Alamos holding less than 100% of the issued and outstanding Common Shares), Alamos would have the ability to elect the directors of Aurizon, appoint new management or approve certain actions requiring the approval of Shareholders, including, in the event Alamos acquires at least 66<sup>2</sup>/<sub>3</sub>% of the issued and outstanding Common Shares, adopting certain amendments to Aurizon's constituting documents and approving mergers or sales of Aurizon's assets. In particular, after the consummation of the Offer, Alamos intends to exercise its statutory right, if available, to acquire all of the Common Shares not deposited under the Offer or, if such statutory right of acquisition is not available or Alamos elects not to pursue such a right of acquisition, to integrate Aurizon and Alamos, by amalgamation, capital reorganization, share consolidation, statutory arrangement or other transaction for the purpose of enabling Alamos or an affiliate to acquire all Common Shares not acquired under the Offer. In any of these contexts, Alamos' interests with respect to Aurizon may differ from, and conflict with, those of any remaining minority Shareholders.

***Alamos has not verified the reliability of the information regarding Aurizon included in, or which may have been omitted from, the Offer and Circular.***

All historical information regarding Aurizon contained in the Offer and Circular, including Aurizon financial information and all pro forma financial information reflecting the pro forma effects of a combination of Aurizon and Alamos that are derived in part from Aurizon's financial information, has been derived from Aurizon's publicly available information. Although Alamos has no reason to doubt the accuracy or completeness of Aurizon's publicly available information, any inaccuracy or material omission in Aurizon's publicly available information, including the information about or relating to Aurizon and its business, prospects, condition (financial or otherwise) and assets contained in the Offer and Circular, could result in unanticipated liabilities or expenses, increase the cost of integrating the two companies or adversely affect the operational plans or prospects of the two companies and its results of operations and financial condition.

***Change of control provisions in Aurizon's agreements triggered upon the acquisition of Aurizon may lead to adverse consequences.***

Aurizon may be a party to agreements that contain change of control provisions that may be triggered following completion of the Offer, since Alamos will hold Common Shares representing a majority of the voting rights of Aurizon. The operation of these change of control provisions, if triggered, could result in unanticipated expenses and/or cash payments following consummation of the Offer or adversely affect Aurizon's results of operations and financial condition. Unless these change of control provisions are waived by the other party, the operation of any of these provisions could adversely affect the results of operations and financial condition of the combined company.

***The Offer is conditional upon, among other things, the receipt of consents and approvals from governments and regulatory authorities that could delay completion of the Offer or impose conditions that could result in an adverse effect on the business or financial condition of Alamos.***

The Offer is conditional upon, among other things, Alamos having obtained all government or regulatory consents, authorizations, waivers, permits, reviews, orders, rulings, decisions, approvals, exemptions and the expiration of any applicable waiting periods (including but not limited to those of any stock exchange or other securities regulatory authorities, Competition Act Approval and the HSR Condition) that are necessary or desirable to complete the Offer and the acquisition of Common Shares and to issue and list on

the TSX and NYSE the Alamos Shares issued pursuant to the Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction.  
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substantial delay in obtaining satisfactory approvals or the imposition of unfavourable terms or conditions in the approvals could have an adverse effect on the business, financial condition or results of operations of Alamos.

***Alamos may not realize the benefits of the combined company's new projects.***

As part of its strategy, Alamos will continue its efforts to develop new projects and will have an expanded portfolio of such projects as a result of the acquisition of Aurizon. A number of risks and uncertainties are associated with the development of these types of projects, including political, regulatory, design, construction, labour, operating, technical and technological risks, uncertainties relating to capital and other costs and financing risks.

***Alamos' failure to maintain effective internal controls could have a material adverse effect on its business in the future and the price of its securities.***

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, Alamos' management will be required to deliver a report that assesses the effectiveness of its internal controls over financial reporting and its independent registered public accounting firm will be required to deliver an attestation report on Alamos' management's assessment of, and the operating effectiveness of, its internal controls over financial reporting in conjunction with their opinion on its audited financial statements. Any failure to maintain adequate internal controls over financial reporting or to implement required, new or improved controls, or difficulties encountered in their implementation, could cause Alamos to report material weaknesses or other deficiencies in its internal controls over financial reporting and could result in a more than remote possibility of errors or misstatements in its consolidated financial statements that would be material. If Alamos or its independent registered public accounting firm were to conclude that its internal controls over financial reporting were not effective, investors could lose confidence in its reported financial information and the price of its securities could decline. Alamos' failure to achieve and maintain effective internal controls could have a material adverse effect on its business in the future, its access to the capital markets and investors' perception of Alamos. In addition, material weaknesses in Alamos' internal controls could require significant expense and management time to remediate.

***The Alamos Shares are not currently listed on the NYSE, and an active and liquid trading market for the Alamos Shares may not develop on the NYSE.***

The Alamos Shares are not currently listed on the NYSE. Alamos has received conditional approval to list its common shares on the NYSE. Alamos cannot predict the extent to which investor interest will lead to the development of an active and liquid trading market for the Alamos Shares on the NYSE or, if such a market develops, whether it will be maintained. Alamos cannot predict the effects on the price of the Alamos Shares if a liquid and active trading market for the Alamos Shares does not develop on the NYSE. In addition, if such a market does not develop, relatively small sales of Alamos Shares may have a significant negative impact on the price of the Alamos Shares.

***U.S. investors in the Alamos Shares may find it difficult or impossible to enforce service of process and enforcement of judgments against Alamos and its directors and officers.***

Alamos is incorporated under the laws of British Columbia. In addition, Alamos' directors and officers and the experts named in the Offer and Circular are located outside the United States. A substantial portion of Alamos' assets are, and the assets of the directors and officers of Alamos and the experts named in the Offer and Circular may be, located outside the United States. It may not be possible for investors to effect service of process within the United States upon Alamos, Alamos' directors and officers or the experts named in the Offer and Circular. It may also not be possible to enforce against Alamos, its officers and directors or the experts named in the Offer and Circular judgments obtained in U.S. courts predicated upon the civil liability provisions of applicable securities law in the United States.

***There are differences in U.S. and Canadian practices for reporting mineral reserves and resources.***

Alamos' mineral reserve and resource estimates are not directly comparable to those made in filings subject to SEC reporting and disclosure requirements, as Alamos reports mineral reserves and resources in accordance with Canadian practices. These practices are different from the practices used to report mineral reserve and resource estimates in reports and other materials filed with the SEC.

Among other differences, Canadian rules allow companies to report measured, indicated and inferred resources. In the United States, mineral resources as reported by Canadian issuers may not be disclosed.

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Shareholders are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into reserves. Furthermore, “inferred resources” have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Accordingly, information concerning descriptions of mineralization and resources contained in the Offer and Circular, or in the documents incorporated herein by reference, may not be comparable to information made public by United States companies subject to the reporting and disclosure requirements of the SEC. See “Notice to Shareholders Outside Canada”.

## **25. Statutory Rights**

Securities legislation in the provinces and territories of Canada provides security holders of Aurizon with, in addition to any other rights they may have at Law, one or more rights of rescission, price revision or to damages, if there is a misrepresentation in a circular or a notice that is required to be delivered to those security holders. However, such rights must be exercised within prescribed time limits. Security holders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult with a lawyer.

## **26. Financial Advisor, Dealer Manager and Soliciting Dealer Group**

Alamos has retained Dundee Capital Markets to act as its financial advisor in connection with the Offer. Dundee Capital Markets will receive compensation for providing such services.

Alamos has also engaged Dundee Capital Markets to serve as the Dealer Manager for the Offer in Canada and the United States. Alamos will reimburse Dundee Capital Markets for its reasonable out of pocket expenses, and has also agreed to indemnify Dundee Capital Markets against certain liabilities and expenses in connection with the Offer, including certain liabilities under applicable securities laws. The Dealer Manager may form a soliciting dealer group comprised of members of The Investment Dealers Association of Canada and members of Canadian stock exchanges (each, a “**Soliciting Dealer**”) to solicit acceptances of the Offer from persons resident in Canada.

Alamos has agreed to pay each Soliciting Dealer whose name appears in the appropriate space in the Letter of Transmittal accompanying a deposit of Common Shares a fee of \$0.02 for each Common Share deposited by or on behalf of a beneficial owner of Common Shares resident in Canada and taken up by Alamos pursuant to the Offer. The aggregate amount payable to a Soliciting Dealer with respect to any single beneficial owner will not be less than \$200, provided that the beneficial owner owns at least 5,000 Common Shares, or more than \$1,500 per Soliciting Dealer whose name appears in the Letter of Transmittal. If the name of a Soliciting Dealer is not included in the Letter of Transmittal, the fee will be paid to the Dealer Manager. Where Common Shares deposited and registered in a single name are beneficially owned by more than one person, the \$200 minimum and \$1,500 maximum amounts shall be applied separately in respect of each beneficial owner, provided that such beneficial owner owns at least 5,000 Common Shares. Alamos may require the Soliciting Dealers to furnish evidence of beneficial ownership satisfactory to Alamos before payment of fees.

Please send any solicitation fees requests to the Depositary and Information Agent no later than 30 business days after the Expiry Time.

Depositing Shareholders will not be obligated to pay any fee or commission if they accept the Offer by using the services of the Dealer Manager or a Soliciting Dealer. Shareholders should contact the Dealer Manager, the Depositary and Information Agent or a broker or dealer for assistance in accepting the Offer and depositing their Common Shares with the Depositary and Information Agent.

Except as set out in the Offer and Circular, Alamos has not agreed to pay any fees or commission to any stockbroker, dealer or other person for soliciting tenders of Common Shares under the Offer; provided that Alamos may make other arrangements with additional soliciting dealers, dealer managers or information agents, either within or outside of Canada for customary compensation during the Offer if it considers appropriate to do so.

## **27. Depositary and Information Agent**

Alamos has retained Kingsdale Shareholder Services Inc. (“**Kingsdale**”) to act as Depositary and Information Agent for the Offer. The Depositary and Information Agent (i) will receive deposits of certificates



representing Common Shares and accompanying Letters of Transmittal at the offices specified in the Letters of Transmittal, (ii) will receive Notices of Guaranteed Delivery at the offices specified in the Notices of Guaranteed Delivery, (iii) will be responsible for giving certain notices, if required, and disbursing payment for Common Shares purchased by Alamos under the Offer, and (iv) will assist with Shareholder identification and communication in respect of the Offer. The Depositary and Information Agent will receive reasonable and customary compensation from Alamos for its services in connection with its role as depositary and information agent for the Offer, will be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities, including liabilities under applicable securities laws.

In addition, Alamos has retained the Depositary and Information Agent as its agent in connection with the Offer.

## **28. Experts**

The audited consolidated financial statements of Alamos for the year ended December 31, 2011, including consolidated statements of financial position as at December 31, 2011, December 31, 2010 and January 1, 2010 and consolidated statements of comprehensive income and changes in equity and cash flows for the years ended December 31, 2011 and December 31, 2010, incorporated by reference in this Circular, have been audited by Ernst & Young LLP, chartered accountants, licensed public accountants, as set forth in their report thereon, included therein and incorporated herein by reference given the authority of such firm as experts in accounting and auditing. Ernst & Young LLP has advised Alamos that it is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario and is registered with the Public Company Accounting Oversight Board (United States).

Information relating to Alamos' mineral properties in the Offer and Circular and the documents incorporated by reference herein has been derived from reports prepared by Dennis Ferrigno, Carl E. Defilippi, Pedro C. Repetto, Herb Welhener, Russ A. Browne, Michael Dobr, Marc A. Jutras, Allen Ray Anderson, Joseph M. Keane, Marc Jutras, Kenneth J. Balleweg, Herb Welhener, Mark Odell, Russell Browne, Susan Ames and Dawn H. Garcia and has been included in reliance on such persons' expertise. Each of the aforementioned persons is a "qualified person" as such term is defined in NI 43-101.

None of the aforementioned persons, nor any director, officer, employee, consultant or partner thereof, as applicable, received or has received a direct or indirect interest in Alamos' property or in the property of any of Alamos' associates or affiliates. To Alamos' knowledge, as at the date hereof, the aforementioned persons specified above who participated in the preparation of such reports, or any director, officer, employee, consultant or partner thereof, as applicable, as a group, beneficially own, directly or indirectly, less than 1% of any class of shares of Alamos.

## **29. Legal Matters**

Legal matters on behalf of Alamos will be passed upon by Torys LLP, counsel to Alamos. The opinion contained under Section 19 of the Circular, "Principal Canadian Federal Income Tax Considerations" has been provided by Torys LLP. As at the date hereof, the partners and associates Torys LLP, as a group, beneficially own, directly or indirectly, less than 1% of any class of Alamos' issued and outstanding securities.

## **30. Directors Approval**

The contents of the Offer and Circular have been approved and the sending thereof to Shareholders has been authorized by the board of directors of Alamos.

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## GLOSSARY

*The following terms have the meanings set out below in the Offer and Circular, including the sections entitled “Summary Term Sheet” and “Summary”, but not including the Schedules:*

“**2008 Confidentiality Agreement**” has the meaning given to that term in Section 3 of the Circular, “Background to the Offer”;

“**Accounts**” has the meaning given to that term in Section 6 of the Circular, “Share Purchase Agreements”;

“**Acquisition**” means the Offer, a Compulsory Acquisition, a Compelled Acquisition or any Subsequent Acquisition Transaction;

“**Acquisition Transaction**” has the meaning given to that term in Section 6 of the Circular, “Share Purchase Agreements”;

“**Adjustment Payment**” has the meaning given to that term in Section 6 of the Circular, “Share Purchase Agreements”;

“**affiliate**” has the meaning given to that term in National Instrument 45-106 - *Prospectus and Registration Exemptions*, as amended or replaced from time to time;

“**Agent’s Message**” means a message, transmitted by DTC to, and received by, the Depository and Information Agent and forming part of a Book-Entry Confirmation, which states that DTC has received an express acknowledgement from the participant in DTC depositing the Common Shares which are the subject of such Book-Entry Confirmation, that such participant has received and agrees to be bound by the terms of the Letter of Transmittal as if executed by such participant and that Alamos may enforce such agreement against such participant;

“**Ağ Dağı Project**” has the meaning given to that term in Section 1 of the Circular, “Alamos”;

“**Alamos**” means Alamos Gold Inc.;

“**Alamos Shares**” means the common shares of Alamos;

“**allowable capital loss**” has the meaning given to that term in Section 19 of the Circular, “Principal Canadian Federal Income Tax Considerations – Shareholders Resident in Canada – Disposition of Common Shares Pursuant to the Offer – Taxation of Capital Gains and Capital Losses”;

“**Antitrust Division**” has the meaning given to that term in Section 17 of the Circular, “Regulatory Matters – HSR Act”;

“**ARC**” has the meaning given to that term in Section 17 of the Circular, “Regulatory Matters – *Competition Act* (Canada)”;

“**associate**” has the meaning given to that term in the Securities Act;

“**Aurizon**” means Aurizon Mines Ltd.;

“**BCBCA**” means the *Business Corporations Act* (British Columbia), as amended or replaced from time to time;

“**Book-Entry Confirmation**” means confirmation of a book-entry transfer of a Shareholder’s Common Shares into the Depository and Information Agent’s account at CDS or DTC, as applicable;

“**business day**” means any day, other than a Saturday, Sunday or a day on which banking institutions in Toronto, Ontario or Vancouver, British Columbia are authorized or obligated by law to close;

“**Casa Berardi Gold Mine**” has the meaning given to that term in Section 2 of the Circular, “Aurizon”;

“**Cash Alternative**” has the meaning given to that term in Section 1 of the Offer, “The Offer”;

“**CDS**” means CDS Clearing and Depository Services Inc., or its nominee, which at the date hereof is CDS & Co.;

“**CDSX**” means the CDS online tendering system pursuant to which book-entry transfers may be effected;

“**CIM**” means the Canadian Institute of Mining, Metallurgy and Petroleum;

“**Circular**” means the circular accompanying and forming part of the Offer;

“**Code**” means the U.S. Internal Revenue Code of 1986, as amended or replaced from time to time;

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“**Commissioner**” means the Commissioner of Competition appointed under the Competition Act or any person duly authorized to perform duties on behalf of the Commissioner of Competition;

“**Common Shares**” means the issued and outstanding common shares of Aurizon, including any common shares of Aurizon issued on the exercise, exchange or commission of any Convertible Securities prior to the Expiry Time, and “**Common Share**” means any one common share of Aurizon;

“**Compelled Acquisition**” has the meaning given to that term in Section 15 of the Circular, “Acquisition of Common Shares Not Deposited Under the Offer – Compelled Acquisition”;

“**Competition Act**” means the *Competition Act* (Canada), as amended or replaced from time to time, and the regulations thereunder;

“**Competition Act Approval**” has the meaning given to that term in Section 17 of the Circular, “Regulatory Matters – Competition Act (Canada)”;

“**Compulsory Acquisition**” has the meaning given to that term in Section 15 of the Circular, “Acquisition of Common Shares Not Deposited Under the Offer – Compulsory Acquisition”;

“**Consideration Shares**” has the meaning given to that term in Section 6 of the Circular, “Share Purchase Agreements”;

“**Convertible Securities**” means any securities of Aurizon exercisable or exchangeable for, convertible into or otherwise conferring a right to acquire any Common Shares or other securities of Aurizon, including, without limitation, any option, warrant or convertible debenture;

“**Court**” means the Supreme Court of British Columbia;

“**CRA**” has the meaning given to that term in Section 19 of the Circular, “Principal Canadian Federal Income Tax Considerations”;

“**Dealer Manager**” means Dundee Capital Markets, and specifically Dundee Securities Ltd. in Canada and Dundee Securities Inc. in the United States;

“**Depository and Information Agent**” means Kingsdale Shareholder Services Inc., who can be contacted at 1-866-851-3214 toll free in North America or at 416-867-2272 outside of North America or by e-mail at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com);

“**Deposited Shares**” has the meaning given to that term in Section 3 of the Offer, “Manner of Acceptance – Dividends and Distributions”;

“**Distributions**” has the meaning given to that term in Section 3 of the Offer, “Manner of Acceptance – Dividends and Distributions”;

“**DTC**” means The Depository Trust Company or its nominee, which at the date hereof is Cede & Co.;

“**Dynamic**” means Dynamic Precious Metals Fund and Dynamic Strategic Gold Class;

“**Elected Amount**” has the meaning given to that term in Section 19 of the Circular, “Principal Canadian Federal Income Tax Considerations – Shareholders Resident in Canada – Disposition of Common Shares Pursuant to the Offer – Exchange of Common Shares for Alamos Shares only or a Combination of Alamos Shares and Cash – Tax Election”;

“**Eligible Holders**” means a Shareholder who elects (or is deemed to elect) the Share Alternative or elects the Cash Alternative but the prorating provisions of the Offer apply pursuant to the Offer and (a) who is a resident of Canada for the purposes of the Tax Act and any applicable income tax treaty or convention and who is not exempt from tax on income under the Tax Act, or (b) who is not resident in Canada for the purposes of the Tax Act and any applicable income tax treaty or convention and whose Common Shares



constitute “taxable Canadian property” (as defined in the Tax Act) and are not “treat-protected property” (as defined in the Tax Act) of the Shareholder, or (c) which is a partnership if one or more members of the partnership are described in (a) or (b);

“**Eligible Institution**” means a Canadian Schedule I chartered bank, a major trust company in Canada, a commercial bank or trust company in the United States, a member of the Securities Transfer Agents Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP), acceptable to the Depositary and Information Agent; Members of these programs are usually members of a recognized stock exchange in Canada and/or the United States, members of the Investment Dealers Association of Canada, members of the National Association of Securities Dealers or banks or trust companies in Canada or the United States;

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“**entities**” means, collectively, with respect to either Aurizon, Alamos, the subsidiaries, associates, affiliates or other persons in which Aurizon, Alamos, as the case may be, has a direct or indirect material interest;

“**Exchange Transaction**” has the meaning given to that term in Section 20 of the Circular “U.S. Federal Income Tax Considerations – The Offer”;

“**Expiry Date**” means February 19, 2013, or such later date or dates to which the Offer may be extended from time to time by Alamos in accordance with Section 5 of the Offer, “Extension, Variation or Change of the Offer”;

“**Expiry Time**” means, in respect of the Offer, 5:00 p.m. (Toronto time) on the Expiry Date;

“**FTC**” has the meaning given to that term in Section 17 of the Circular, “Regulatory Matters – HSR Act”;

“**fully diluted basis**” means, with respect to the number of issued and outstanding Common Shares at any time, such number of issued and outstanding Common Shares calculated assuming that all Convertible Securities of Aurizon are converted;

“**Governmental Authority**” means any (i) multinational, federal, territorial, provincial, state, municipal, local or other governmental or public department, central bank, court, commission, board, bureau or agency, domestic or foreign, (ii) any stock exchange or the OTC, (iii) any subdivision or authority of any of the foregoing or (iv) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above;

“**HSR Act**” means the United States *Hart-Scott-Rodino Antitrust Improvements Act* of 1976, as amended, and the rules and regulations promulgated thereunder;

“**HSR Condition**” has the meaning given to that term in Section 17 of the Circular, “Regulatory Matters – HSR Act”;

“**including**” means including without limitation;

“**intermediary**” means a registered broker or dealer, financial institution or other intermediary (within the meaning ascribed to that term in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, as amended or replaced from time to time) that holds Common Shares on behalf of a person who is not the registered holder thereof;

“**IRS**” means the U.S. Internal Revenue Service;

“**Kingsdale**” means Kingsdale Shareholder Services Inc.;

“**Kirazh Project**” has the meaning given to that term in Section 1 of the Circular, “Alamos”;

“**Laws**” means any and all (i) laws (including common law), constitutions, treaties, statutes, codes, ordinances, orders, decrees, rules, regulations, by-laws, and principles of law and equity, (ii) judicial, arbitral, administrative, ministerial, departmental or regulatory judgment, orders, decisions, rulings or awards of any Governmental Authority, and (iii) policies, guidelines and protocols of any Governmental Authority, and the term “**applicable**” with respect to such Laws (including environmental Laws) and in a context that refers to one or more parties, means such Laws as are applicable to such party or its business, undertaking, property or securities and emanate from a Person having jurisdiction over the party or parties or its or their business, undertaking, property or securities;

“**Letter of Transmittal**” means the letter of transmittal printed on **YELLOW** paper and in the form accompanying the Offer and Circular to be delivered to the Depositary and Information Agent to effect the tender of Common Shares by registered Shareholders pursuant to the Offer;

“**Material Adverse Change**” has the meaning given to that term in Section 4 of the Offer, “Conditions of the Offer”;

“**Maximum Cash Consideration**” means Cdn\$305 million;

“**Maximum Share Consideration**” means 23,500,000 Alamos Shares;

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**“Maximum Take-Up Date Cash Consideration”** means, in respect of a Take-Up Date, the Maximum Cash Consideration multiplied by a fraction the numerator of which is the number of Common Shares to be taken up on such Take-Up Date and the denominator of which is the number of Common Shares to which the Offer relates;

**“Maximum Take-Up Date Share Consideration”** means, in respect of a Take-Up Date, the Maximum Share Consideration multiplied by a fraction the numerator of which is the number of Common Shares to be taken up on such Take-Up Date and the denominator of which is the number of Common Shares to which the Offer relates;

**“MI 61-101”** means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, as amended or replaced from time to time;

**“Montrusco”** means Montrusco Bolton Investments Inc.;

**“Mulatos Mine”** has the meaning given to that term in Section 1 of the Circular, “Alamos”;

**“NI 43-101”** means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*, as amended or replaced from time to time;

**“Non-Resident Shareholder”** has the meaning given to that term in Section 19 of the Circular, “Principal Canadian Federal Income Tax Considerations – Shareholders Not Resident in Canada”;

**“Notice of Guaranteed Delivery”** means the notice of guaranteed delivery printed on **GREEN** paper and in the form accompanying the Offer and Circular;

**“Notifiable Transaction”** has the meaning given to that term in Section 17 of the Circular, “Regulatory Matters – *Competition Act* (Canada)”;

**“NYSE”** has the meaning given to that term on the cover page of the Offer and Circular;

**“Offer”** means the offer all of the issued and outstanding Common Shares made hereby by Alamos to the Shareholders, the terms and conditions of which are set forth in the accompanying Offer and Circular, Letter of Transmittal and Notice of Guaranteed Delivery;

**“Offerees”** has the meaning given to that term in Section 15 of the Circular, “Acquisition of Common Shares Not Deposited Under the Offer – Compulsory Acquisition”;

**“Offeror’s Notice”** has the meaning given to that term Section 15 of the Circular, “Acquisition of Common Shares Not Deposited Under the Offer – Compulsory Acquisition”;

**“OTC”** has the meaning given to that term on the cover page of the Offer and Circular;

**“person”** includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Governmental Authority, syndicate or other entity, whether or not having legal status;

**“PFIC”** means a passive foreign investment company for U.S. federal income tax purposes;

**“Price Protection Transaction”** has the meaning given to that term in Section 6 of the Circular, “Share Purchase Agreements”;

**“Purchase Price”** has the meaning given to that term in Section 6 of the Circular, “Share Purchase Agreements”;

**“Purchased Shares”** has the meaning given to that term in Section 3 of the Offer, “Manner of Acceptance – Dividends and Distributions”;

**“Registration Statement”** has the meaning given to that term under “Notice to Shareholders Outside Canada”;

**“Resident Shareholder”** has the meaning given to that term in Section 19 of the Circular, “Principal Canadian Federal Income Tax Considerations – Shareholders Resident in Canada”;

**“Rollover Option”** means the option of an Eligible Holder to tender Common Shares to Alamos on a full or partial tax-deferred rollover basis for purposes of the Tax Act pursuant to an election under subsection 85(1) or (2) of the Tax Act (or the corresponding provisions of any applicable provincial tax legislation), as described in Section 19 of the Circular, “Principal Canadian Federal Income Tax Considerations”, which option is available to a Shareholder who (a) is an Eligible Holder, (b) receives Alamos Shares pursuant to the Offer and (c) has elected the “Rollover Option” in the Letter of Transmittal;

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“**RRIFs**” means registered retirement income funds;

“**RRSPs**” means registered retirement savings plans;

“**SEC**” means the U.S. Securities and Exchange Commission;

“**SEC Industry Guide 7**” means the SEC Industry Guide 7 under the U.S. Securities Act and the U.S. Exchange Act;

“**Second Request**” has the meaning given to that term in Section 17 of the Circular, “Regulatory Matters – HSR Act”;

“**Securities Act**” means the *Securities Act* (British Columbia), as amended or replaced from time to time;

“**SEDAR**” means the Canadian Securities Administrators’ System for Electronic Document Analysis and Retrieval whose website is [www.sedar.com](http://www.sedar.com);

“**Share Alternative**” has the meaning given to that term in Section 1 of the Offer, “The Offer”;

“**Share Purchase Agreements**” has the meaning given to that term in Section 6 of the Circular, “Share Purchase Agreements”;

“**Shareholder**” means a holder of a Common Share;

“**Soliciting Dealer**” has the meaning given to that term in Section 26 of the Circular, “Financial Advisor, Dealer Manager and Soliciting Dealer Group”;

“**Subject Shares**” has the meaning given to that term in Section 6 of the Circular, “Share Purchase Agreements”;

“**Subsequent Acquisition Transaction**” has the meaning given to that term in Section 15 of the Circular, “Acquisition of Common Shares Not Deposited Under the Offer”;

“**Subsequent Offering Period**” has the meaning given to that term in Section 2 of the Offer, “Time for Acceptance”;

“**subsidiary**” has the meaning given to that term in National Instrument 45-106 – *Prospectus and Registration Exemptions*, as amended or replaced from time to time;

“**Supplementary Information Request**” has the meaning given to that term in Section 17 of the Circular; “Regulatory Matters – *Competition Act* (Canada)”;

“**Take-Up Date**” means a date upon which Alamos takes up or acquires Common Shares pursuant to the Offer. Alamos reserves the right, to the extent permitted by applicable Law, to have multiple Take-Up Dates;

“**Tax Act**” means the *Income Tax Act* (Canada), as amended or replaced from time to time;

“**Tax Election**” has the meaning given to that term in Section 19 of the Circular, “Principal Canadian Federal Income Tax Considerations – Shareholders Resident in Canada – Disposition of Common Shares Pursuant to the Offer – Exchange of Common Shares for Alamos Shares only or a Combination of Alamos Shares and Cash – Tax Election”;

“**Tax Proposals**” has the meaning given to that term in Section 19 of the Circular, “Principal Canadian Federal Income Tax Considerations”;

“**Tax Regulations**” has the meaning given to that term in Section 19 of the Circular, “Principal Canadian Federal Income Tax Considerations”;

“**taxable capital gain**” has the meaning given to that term in Section 19 of the Circular, “Principal Canadian Federal Income Tax Considerations – Shareholders Resident in Canada – Disposition of Common Shares Pursuant to the Offer – Taxation of Capital Gains and Capital Losses”;

**“Tender Offer Statement”** has the meaning given to that term under “Notice to Shareholders Outside Canada”;

**“TFSAs”** means tax-free savings accounts;

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“**Transaction Consideration**” has the meaning given to that term in Section 6 of the Circular, “Share Purchase Agreements”;

“**TSX**” has the meaning given to that term on the cover page of the Offer and Circular;

“**U.S.**” or “**United States**” means the United States of America, its territories and possessions, States of the United States, and the District of Columbia;

“**U.S. Exchange Act**” means the United States *Securities Exchange Act of 1934*, as amended, and the rules and regulations promulgated thereunder;

“**U.S. Holder**” has the meaning given to that term in Section 20 of the Circular, “U.S. Federal Income Tax Considerations”;

“**U.S. Securities Act**” means the United States *Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder;

“**USAA**” means Precious Metals and Minerals Fund, a Series of USAA Mutual Funds Trust;

“**Valuation Requirements**” has the meaning given to that term in Section 15 of the Circular, “Acquisition of Common Shares Not Deposited Under the Offer”; and

“**Vendor**” has the meaning given to that term in Section 6 of the Circular, “Share Purchase Agreements”.

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**SCHEDULE “A”**  
**DESCRIPTION OF THE KIRAZLI & AĞI DAĞI GOLD PROJECT**

**1. SUMMARY**

The Kirazlı and Ağı Dağı Gold and Silver Mine development projects (the “Projects”) are located in the Biga Peninsula in the province of Çanakkale, in northwestern Turkey. The Projects are owned by Alamos Gold Inc. (“Alamos”) through its wholly-owned Turkish subsidiaries Kuzey Biga Madencilik San. Tic. A.Ş. (“Kuzey Biga”) and Doğu Biga Madencilik San. Tic. A.Ş. (“Doğu Biga”).

This NI 43-101 documentation presents the updated resource estimates for the projects and establishes the mining sequences, pit configurations, production rates, and other considerations relevant to optimizing the financial performance of the projects in a manner that is consistent with the interests of local communities and other key stakeholders. A Prefeasibility Study (PFS) dated July 31, 2012 was filed on SEDAR on August 9, 2012. The PFS will be a reference document for the NI 43-101 documentation.

The financial analysis in this NI 43-101 and the referenced PFS are based on reasonable assumptions of technical, engineering, legal, operating, economic, social, and environmental considerations, as well as the evaluation of other relevant factors to determine the viability of the projects. This NI 43-101 documentation concludes that the required resources used in the mine plan can be secured to successfully implement and operate the projects.

**Figure 1-1** identifies the location of the projects within the region.

**Figure 1-1 Projects Location Within the Region**



30 June 2012

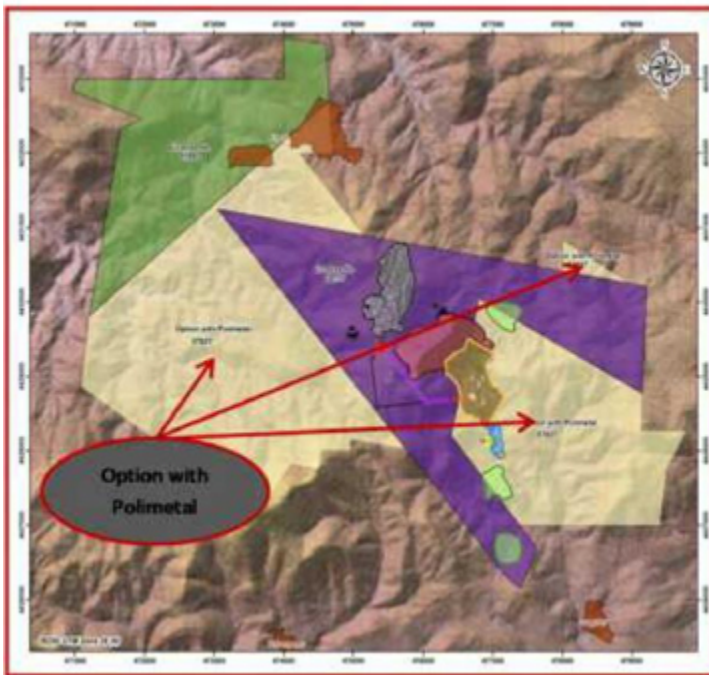


## 1.1 Background and Project Description

The Ağı Dağı and Kirazlı projects comprise two separate, stand-alone mining projects, separated by a distance of about 19 kilometers. Alamos acquired the Ağı Dağı and Kirazlı Projects in January 2010 from Teck Resources and Fronteer Development Group, which had held the property in a 60/40 joint venture. Part of the Kirazlı project footprint is located on a concession belonging to Polimetal Madencilik (a Joint Venture operated by Lidya Madencilik with Alacer Gold) consisting of 1,891.67 hectares. Alamos currently has an agreement in place with Polimetal with an option to acquire 100% at any time with a cash payment of \$1M.

The Kirazlı Project is located in the Çanakkale Province in the Biga Peninsula of Northwestern Turkey. The property consists of 1,540.55 hectares of mineral tenure in two contiguous licenses. **Figure 1-2** shows a summary of the Kirazlı Project, and **Figure 1-3** presents the general arrangement.

**Figure 1-2 Kirazlı Concession**



### Kirazlı Summary

**Drilling:** The project has 243 exploration drill holes; total of approximately 36,000 m drilled.

**Production:** The average annual metal production is expected to be 99,000 oz/yr gold and 601,000 oz/yr silver. Mine life is planned for approximately 5 years yielding 495,000 oz gold and 3,006,000 oz silver.

**Mineral Resource Estimates:** The mineral resource estimate at 0.20 g/t cutoff grade, oxide and transition only

Measured: 0.88 Mt at 1.17 g/t Au and 13.22 g/t Ag

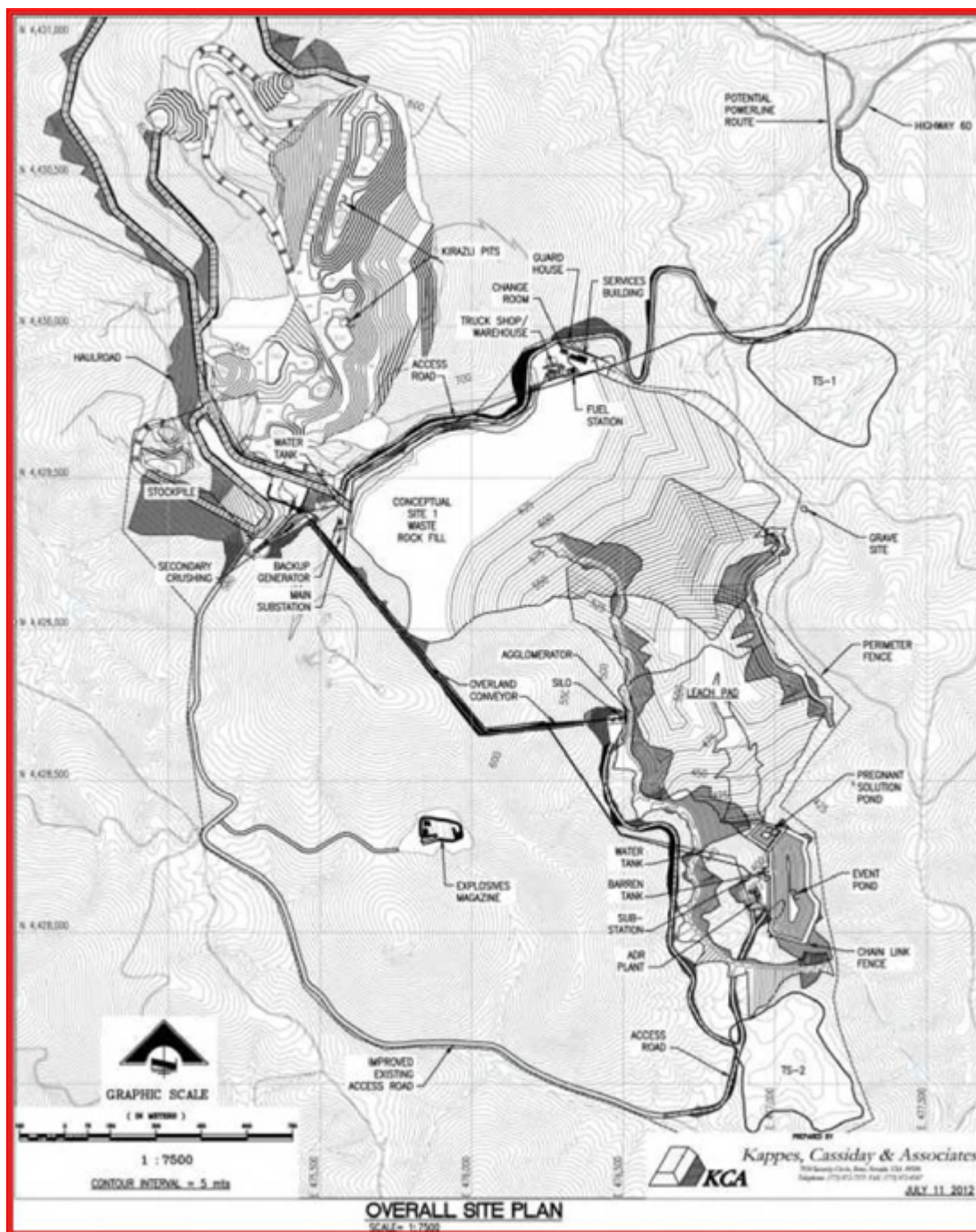
Indicated: 29.9 Mt at 0.70 g/t Au and 8.35 g/t Ag

Inferred: 5.6 Mt at 0.52 g/t Au and 9.95 g/t Ag

Current PFS Mine Plan Resources Design basis; using \$1,150/oz design pits: 25.6 Mt ore @ 0.75 g/t Au, 11.75 g/t Ag

(Note: See June 27, 2012 press release posted on SEDAR for details of the Mineral Resource)

Figure 1-3 Kirazlı General Arrangement

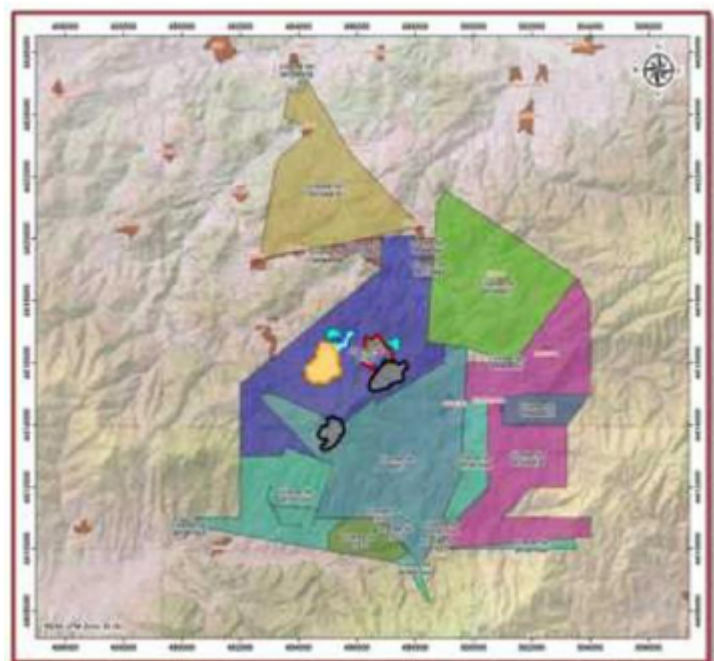


A-3

The Ağı Dağı Project is also located in the Çanakkale Province in the Biga Peninsula of Northwestern Turkey. The Ağı Dağı site includes the Baba and Deli ore deposits which will be mined by the open pit method, presented in **Figure 1-4**. The property consists of a total of 10,525.04 hectares of mineral tenure in 11 contiguous licenses. The Ağı Dağı Baba and Deli pits are at elevations of 725-910 meters above sea level and 535-740 meters above sea level, respectively.

Alamos acquired the Project and issued a preliminary economic assessment (PEA#428-01-028.01) dated March 29, 2010 “Scoping Study”. Since the issue of the PEA, Alamos has continued exploration drilling, gathered additional baseline data, conducted metallurgical testing, resource estimates used in mine plan, and additional test work for the Environmental Impact Assessment report (“EIA”), as well as geotechnical and water verification of site conditions to be used for this PFS as well as final design, construction, and operation.

**Figure 1-4      Ağı Dağı Concession**



### **Ağı Dağı Summary**

**Drilling:** The project has 516 exploration drill holes with a total of approximately 59,100 m drilling.

**Production:** The average annual metal production is expected to be 142,857 oz/yr of gold and 271,000 oz/yr of silver. Mine life is currently forecasted for 7 years yielding 1,001,800 oz gold and 1,897,000 oz silver.

**Mineral Resource Estimates:** The mineral resource estimate at 0.20 g/t cutoff grade (sum of Baba and Deli oxide and transition with no sulfide included):

Measured: 20.4 Mt @ 0.53 g/t Au, 1.17 g/t Ag

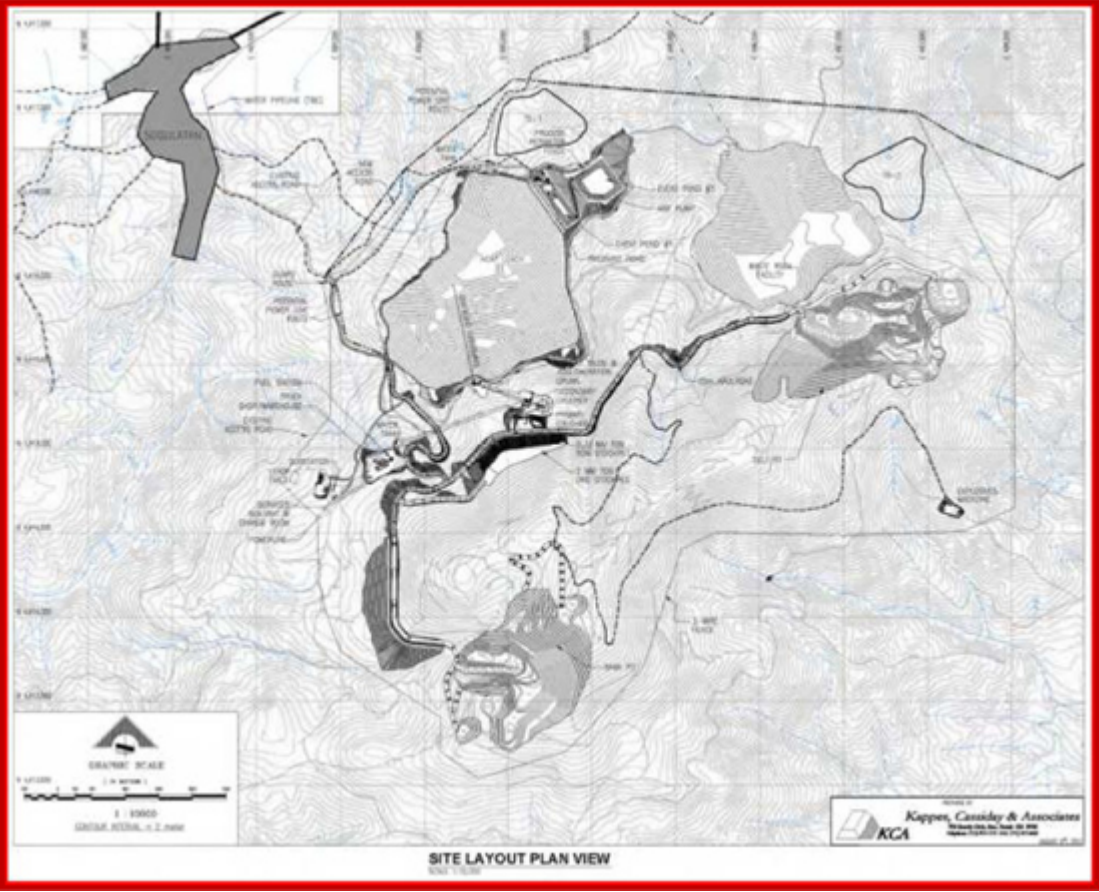
Indicated: 59.0 Mt @ 0.61 g/t Au and 4.07 g/t Ag

Inferred: 20.9 Mt @ 0.53 g/t Au and 2.86/t Ag

Current PFS Mine Plan Resources Design basis; using \$1,150/oz design pits: 69.1 Mt ore @ 0.55 g/t Au, 3.3 g/t Ag

(Note: See June 27, 2012 press release posted on SEDAR for details of the Mineral Resource)





A-5

The following timeline sets out the history of ownership and development of the Project.

**Table 1-1 Project Ownership and Development Timeline**

<b>Timeline</b>	<b>Milestone</b>
<b>Mid-1987 thru 1989</b>	Tüprag Metal Madencilik (“Tüprag”) acquired the Kirazlı Gold Property. Tüprag entered into the Kirazlı Mining Venture agreement (“KMV”) with Newmont Overseas Exploration Ltd. (“NOEL”).
<b>1990</b>	Ağrı Dağı Property acquired by Tüprag Metal Madencilik Sanayi.
<b>1995-1998</b>	Ağrı Dağı Madencilik Sanayi A.Ş. spent US\$ 1,137,454 on exploration of the property and drilled 8,276.9m in 74 holes and carried out various field surveys as described below.
<b>2004-2005</b>	Kirazlı 891.9 meters of drilling was completed in 4 holes in 2005, and 7,377.5 meters of drilling was completed in 44 holes in 2005.
<b>April 2004</b>	Ağrı Dağı Fronteer Development Group Inc. entered into an option agreement with Teck-Cominco Arama ve Madencilik.
<b>2006</b>	13,499.65 meters of drilling completed comprising 832.3 meters Reverse Circulation (RC) drilling and 12,667.7 meters of diamond drilling.
<b>2007</b>	Kirazlı technical report completed for the Kirazlı property on behalf of Fronteer, and included a resource estimate for the property.
<b>September 23, 2009</b>	Ağrı Dağı and Kirazlı: Teck and Fronteer enter into property sale negotiations with Alamos by signing a memorandum of understanding (“MOU”).
<b>December 9, 2009</b>	Alamos signs a Definitive Purchase Agreement for the Ağrı Dağı and Kirazlı project, replacing the previous MOU.
<b>January 6, 2010</b>	Alamos acquires the projects from Teck Resources and Fronteer Development for \$40M in cash and 4 million common shares of Alamos.
<b>March 29, 2010</b>	Alamos issues a Scoping Study on the Kirazlı/Ağrı Dağı properties.
<b>2010-2012</b>	243 exploration drill holes (approximately 36,000 m) have been drilled in Kirazlı. 516 exploration drill holes (defining the Baba and Deli mine plan resource) have been drilled with a total of approximately 59,100 m of drilling at Ağrı Dağı.

Alamos engaged industry professionals with significant experience and expertise in heap leach and gold facility project development. **Table 1-2** highlights the firms used in the development and design of the gold and silver heap leach mining facilities, and that participated in the generation of this report.

**Table 1-2 Firms Contributing to Design and Development of the Project**

Organization	Responsibilities	Unique Qualifications
<b>Kappes Cassiday &amp; Associates</b>	Pre-Feasibility Study report review; Project Engineer, process and infrastructure design	Heap leach process and infrastructure design for gold and silver greenfield development properties Currently completing design and commissioning for a project in Turkey working with DAMA Engineering
<b>Golder Associates</b>	Environmental Impact Assessment Civil, heap leach and geotechnical design Closure plan, site water management, water supply Hydrogeology Geochemistry	Turkey project office and experience in Turkish permitting for development projects Geotechnical Engineer and design for mining and environmental permit development projects Heap leach and waste dump design subject matter experts Water supply and surface water management subject matter experts
<b>Independent Mining Consultants</b>	Mine design and equipment selection	Mine planners for gold and copper properties Experience working for Alamos in Mexico
<b>Hidrokon</b>	Design, reservoir, pipelines, and pump stations	Turkish dam and water reservoir design firm; known throughout Turkey for quality and cost delivery in projects
<b>Call &amp; Nicholas</b>	Pit slope stability	Geotechnical pit slope and design experts for mine pit and heap leach slope and testing
<b>Allen Anderson</b>	Metallurgical testing; extraction forecast	Minerals testing and recovery of extracted ores for gold, copper and precious metals
<b>DAMA</b>	Turkish standards and local costing	Turkish management consultant experienced in local project delivery; scheduling and cost estimating
<b>NetVizyon</b>	Community and public relations experts	Recognized public relations firm Subject matter experts
<b>ENCON</b>	Environmental studies and permitting Community relations	One of the oldest and most highly regarded environmental and permitting firms in Turkey



In accordance with Turkish regulations, the following permits (**Table 1-3**) are required with the corresponding milestones.

**Table 1-3 Turkish Permits and Anticipated Approvals Timeline**

	<b>Kirazlı</b>	<b>Ağı Dağı</b>
<b>EIA Approval</b>	Q1-2013	Q2-2013
<b>Forestry Permit and License to Start and Operate a Business Permit</b>	Q3-2013	Q4-2013
<b>Operating Permits</b>	Q3-2013	Q4-2013
<b>Construction Start</b>	Q3-2013	Q4-2013
<b>First Gold Pour</b>	Q4-2014	Q4-2016

The Ağı Dağı and Kirazlı Gold deposits are high-sulphidation, epithermal gold deposits. Gold mineralization at Kirazlı and at Ağı Dağı is hosted within Miocene-age andesitic tuffs or felsic volcanic rocks and phreatic breccias typical in some deposits of this type.

The principal model for gold mineralization at the Ağı Dağı and Kirazlı Gold Properties is a high-sulphidation, epithermal gold deposit. Premier examples of this kind of deposit in the world are Yanacocha, Pierina and Alto Chicama in Peru. Most high-sulphidation deposits are large, low grade bulk-tonnage systems (Yanacocha), though vein-hosted high-sulphidation deposits also occur (El Indio).

At Kirazlı, gold mineralization is hosted within heterolithic phreatomagmatic/phreatic breccia bodies cutting through Miocene-age andesitic tuffs. Mineralization can generally be subdivided into two main types:

A low-grade gold zone underlies much of Ağı Dağı, broadly enveloping the high-grade gold zones. This low grade mineralization occurs both above and below the zone of supergene oxidation (redox boundary). The wide spread, low grade mineralization is interpreted to be early and may be associated with the broad epithermal alteration that resulted in the chalcedonic silica (the second silica event). Please see **Figures 1-6 and 1-7**.

Four elongate bodies of high-grade gold mineralization occur in the advanced argillic zone overlapping slightly the bottom of the 1 km-long silica cap and the silica roots. High-grade gold mineralization also shows a strong spatial relationship with the margins of heterolithic breccia bodies. These bodies transect the redox boundaries.



Figure 1-6 Kirazlı Lithology Interpretation - Section N 30350

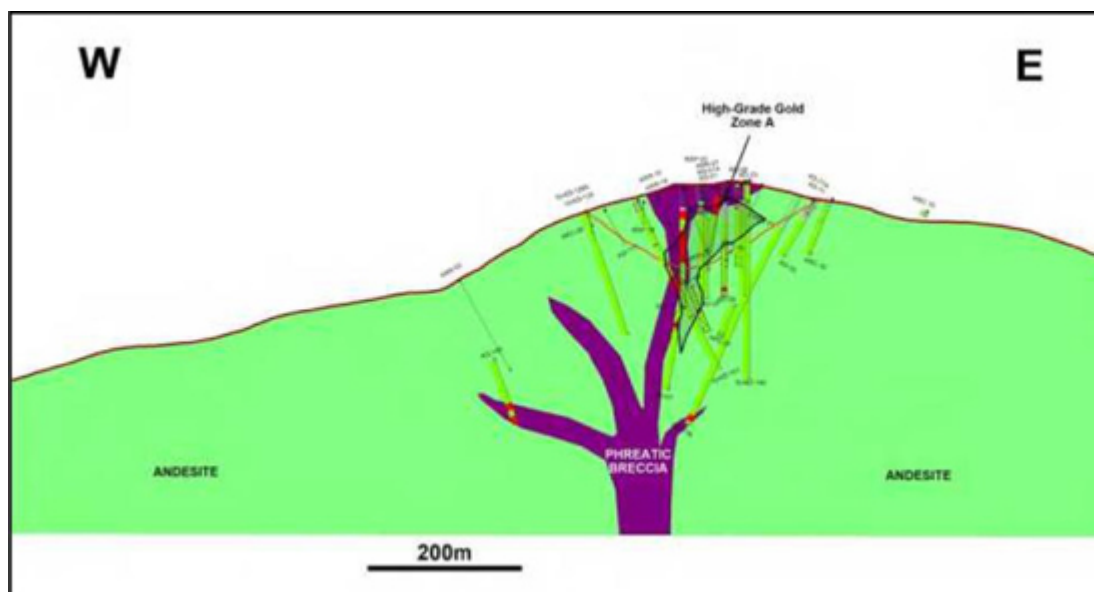
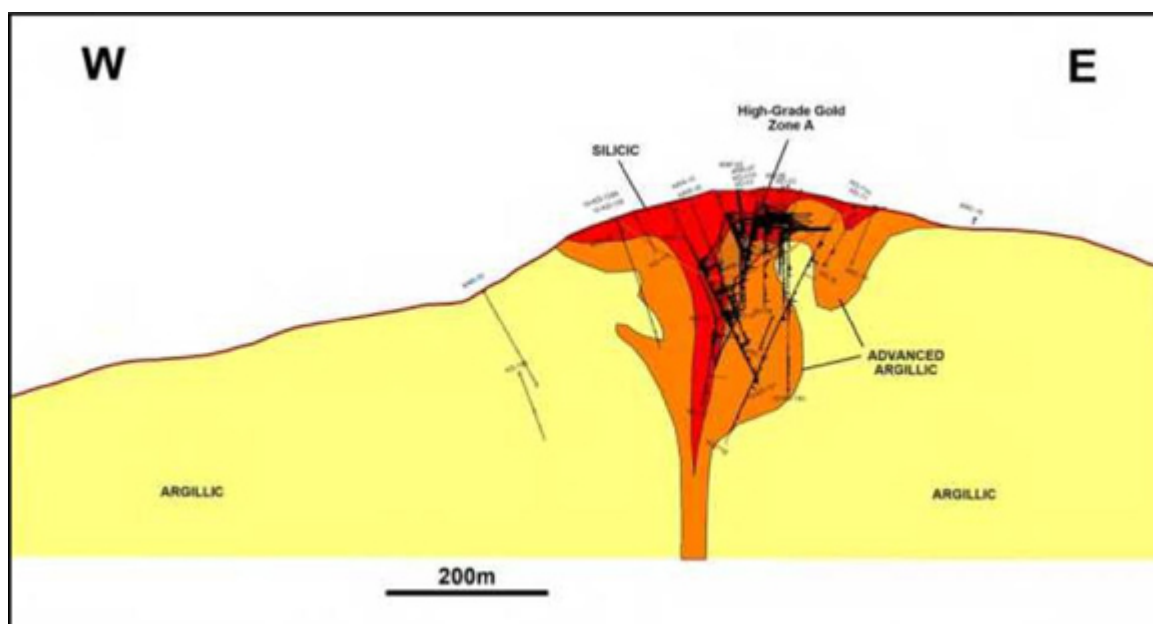


Figure 1-7 Kirazlı Alteration Interpretation - Section N 30350



At Ağı Dağı, gold mineralization is associated with felsic volcanic rocks of Miocene age and a northeast-trending silica cap rock about four km by two km in extent which forms a topographic high 700 to 900 meters in relief. The gold mineralization is disseminated and associated with intensely silicic alteration comprised of oxidized vuggy silica overprinting brecciated rocks hosted in volcanic felsic to intermediate tuffs and occasionally phreatic breccia bodies. Hydrothermal breccias (crackle, jigsaw, hydrothermal) are most common. Pyrite is the most abundant primary sulfide mineral associated with gold in the sulphide rocks. Trace to minor amounts of enargite, covellite, galena and molybdenum are present locally.

Five main zones of gold mineralization are present at Ağrı Dağı: the Baba, Ayı Tepe, Fire Tower, Ihlamur and Deli Zones. Please see **Figures 1-8** and **1-9**. Mineral resources have been generated for the Baba and Deli zones, and have also been developed for the Fire Tower zone. The Baba, Fire Tower and Deli zones occur along the east side of the NE-SW trending mountain ridge, corresponding to silicified dacite and phreatic breccia that may fill a paleo-basin in dacite and feldspar porphyritic andesite. Gold mineralization is continuous between Baba and Deli through Fire Tower, a strike distance of over 4 km. The Ayı Tepe and Ihlamur zones are on a sub-parallel trend to the north. Mineralization along the Ayı Tepe – Ihlamur trend has only been sporadically drilled.

The north part of Baba hill is composed of phreatic breccia and dacite flows and tuffs cutting andesites within a northeast trending, 500 meter wide paleo-basin filled with dacite flow and tuff. Ayı Tepe hill is underlain by the same geological units in the same relation as Baba. These two basins are elongated towards the northeast along the length of Ağrı Mountain. As the andesites are principally argillic altered and weather recessively compared to dacites, they generally occur in topographic lows between the silicified ridges.

**Figure 1-8 Baba Lithology Interpretation - Section N 2200**

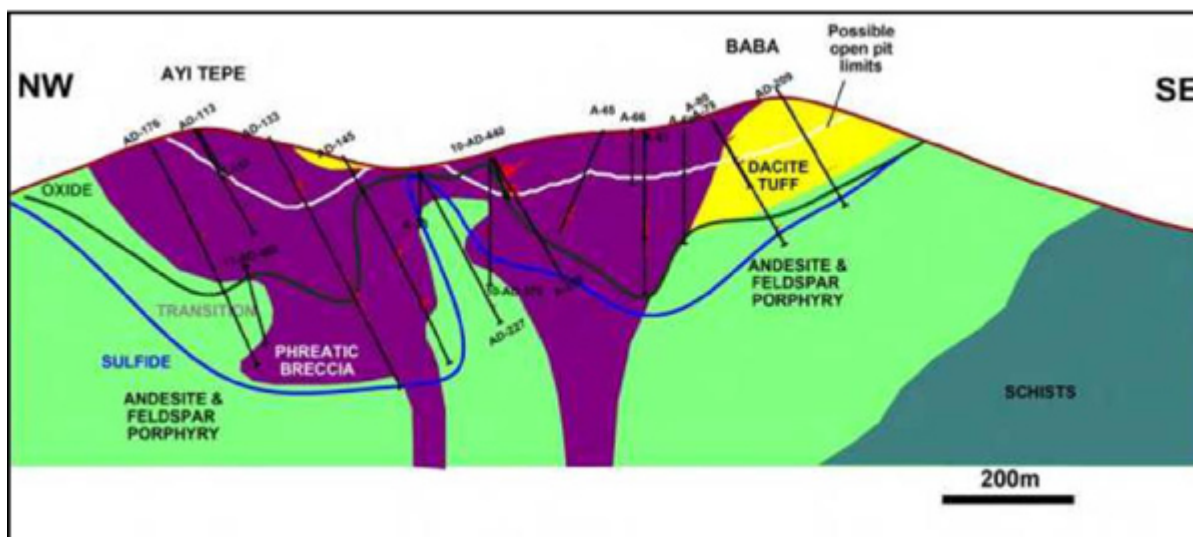
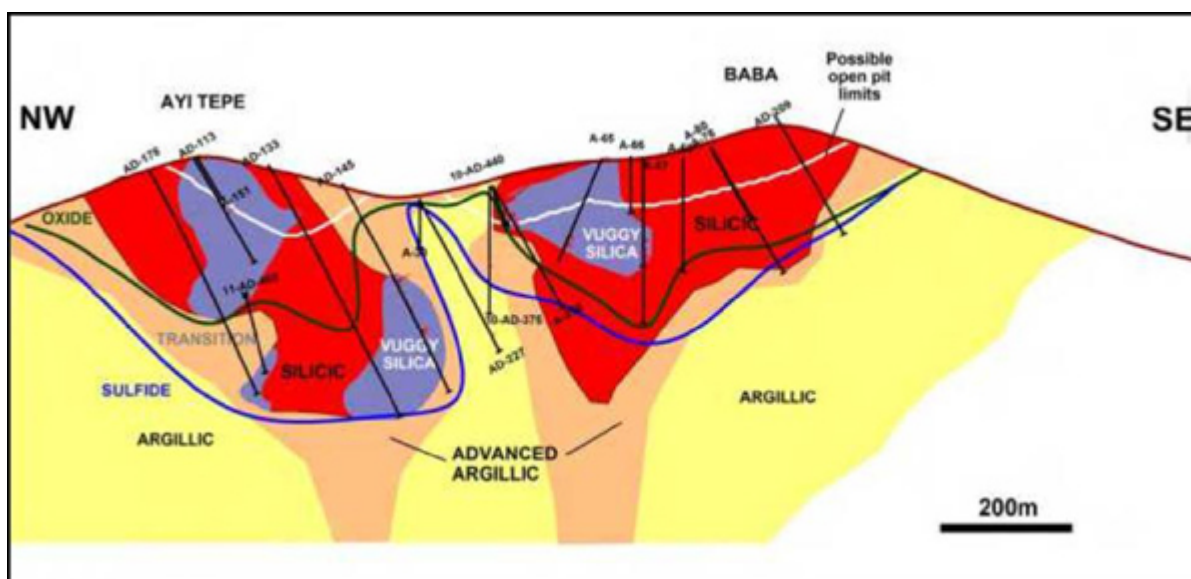


Figure 1-9

## Baba Alteration Interpretation - Section N 2200



The estimate of the resources within the mine plans at Kirazlı and Ağı Dağı was performed with the ordinary kriging technique. A total of 243 drill holes from Kirazlı and 516 drill holes from Ağı Dağı (Baba, Fire Tower, Deli) were part of the drill hole database. Gold and silver grades from original samples were composited to a 3 m regular length and higher grade outliers were capped. Variograms were utilized to identify the directions of greater grade continuity and modeled parameters were integrated in the grade estimation process. Alteration and oxidation units, which are controls on gold and silver mineralization, were also part of the grade interpolation strategy. The resulting gold and silver grade estimates were validated by various verification tests. The resources within the mine plans were constrained by an open pit surface optimized at a gold price of \$1,250.00/oz and silver price of \$22.50/oz within the oxide and transition material.

**Table 1-4** presents the resource within the mine plan base case estimate for the Kirazlı area and **Table 1-5** presents the same information for the Ağı Dağı area.

**Table 1-4 Kirazlı Resource Within the Mine Plan Estimate - Base Case**

Oxide and Transition Base Case										
Au Cut-off g/t	Measured					Indicated				
	Tonnage tonnes	Au Grade g/t	Au Content oz	Ag Grade g/t	Ag Content oz	Tonnage tonnes	Au Grade g/t	Au Content oz	Ag Grade g/t	Ag Content oz
0.2	884,000	1.17	33,400	13.22	375,600	29,864,000	0.70	673,100	8.35	8,016,900
Au Cut-off g/t	Measured + Indicated					Inferred				
	Tonnage tonnes	Au Grade g/t	Au Content oz	Ag Grade g/t	Ag Content oz	Tonnage tonnes	Au Grade g/t	Au Content oz	Ag Grade g/t	Ag Content oz
0.2	30,748,000	0.71	706,400	8.49	8,392,500	5,575,000	0.52	93,300	9.95	1,783,600

**Table 1-5 Ağrı Dağı Resource Within the Mine Plan Estimate - Base Case**

Oxide and Transition Base Case										
Au Cut-off g/t	Measured					Indicated				
	Tonnage tonnes	Au Grade g/t	Au Content oz	Ag Grade g/t	Ag Content oz	Tonnage tonnes	Au Grade g/t	Au Content oz	Ag Grade g/t	Ag Content oz
<b>0.2</b>	20,376,000	0.53	344,200	1.17	766,600	58,990,000	0.61	1,165,600	4.07	7,712,100
Au Cut-off g/t	Measured + Indicated					Inferred				
	Tonnage tonnes	Au Grade g/t	Au Content oz	Ag Grade g/t	Ag Content oz	Tonnage tonnes	Au Grade g/t	Au Content oz	Ag Grade g/t	Ag Content oz
<b>0.2</b>	79,366,000	0.59	1,509,800	3.32	8,478,700	20,861,000	0.53	355,800	2.86	1,920,400

The Kirazlı and Ağrı Dağı resources within the mine plan are in two unique locations with Kirazlı located approximately 19 kilometers northwest of Ağrı Dağı. Mining of the Kirazlı and Ağrı Dağı (Baba and Deli) deposits will be done by open pit methods utilizing a traditional drill, blast, load and haul sequence to deliver ore to the primary crusher and the waste to waste dumps, pit backfill and / or as Heap Leach Facility construction fill.

The resources within the mine plan are based on 5 m bench height to match the resource model bench height. The resource within the mine plan tonnages included in this section is a sub-set of the mineral resource presented in Section 14. At this time, no additional dilution factors or mining losses have been applied to the grade model. **Table 1-6** is a summary of the resources within the pit limit for Kirazlı and Ağrı Dağı.

**Table 1-6 Resources within Mine Plan**

Deposit	Class	Tonnage & Grade > + \$0.10/t Net Value Cutoff						Contained Oz.		Recoverable Oz.	
		ktonnes	\$/t	Net		Recov		Gold	Silver	Gold	Silver
				Value	Gold	Silver	Recov Au				
				g/t	g/t	g/t	g/t				
<b>Kirazlı</b>	Measured	738	37.62	1.30	15.86	1.08	1.08	30,763	376,395	25,545	104,594
<b>Ağrı Dağı</b>	Measured	17,518	12.00	0.52	1.16	0.42	0.42	290,957	651,119	238,778	147,958
<b>Total</b>	Measured	18,256	13.04	0.55	1.75	0.45	0.43	321,720	1,027,514	264,323	252,552
<b>Kirazlı</b>	Indicated	24,861	18.98	0.73	11.63	0.59	3.63	583,248	9,295,713	468,604	2,901,857
<b>Ağrı Dağı</b>	Indicated	51,622	13.67	0.57	4.03	0.46	1.05	942,312	6,687,543	770,263	1,746,526
<b>Total</b>	Indicated	76,483	15.40	0.62	6.50	0.50	1.89	1,525,560	15,983,256	1,238,867	4,648,383
<b>Kirazlı</b>	Sum M&I	25,599	19.52	0.75	11.75	0.60	3.65	614,011	9,672,108	494,149	3,006,451
<b>Ağrı Dağı</b>	Sum M&I	69,140	13.25	0.55	3.30	0.45	0.85	1,233,269	7,338,662	1,009,041	1,894,484
<b>Total</b>	Sum M&I	94,739	14.94	0.61	5.58	0.49	1.61	1,847,280	17,010,770	1,503,190	4,900,935

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## 1.2 Process / Heap Leach Design

The Kirazlı Project has been designed as a 15,000 tonne per day heap leach operation utilizing a multiple-lift, single-use leach pad. The ore will be processed by primary crushing and open circuit secondary crushing to a nominal size of 26 mm. The secondary crushed ore will be agglomerated with a nominal 2.5 kg/t cement in an agglomeration drum, stacked on the heap leach pad by conveyor stacking and processed by heap leaching methods.

Processing at Ağı Dağı will be similar to Kirazlı. Ağı Dağı has been designed as a 30,000 tonne per day heap leach operation utilizing a multiple-lift, single-use leach pad. The ore will be processed by primary crushing and open circuit secondary crushing to a nominal size of 26 mm. The secondary crushed ore will be agglomerated with a nominal 2.5 kg/t cement in an agglomeration drum, stacked on the heap leach pad by conveyor stacking and processed by heap leaching methods.

A single heap leach facility is planned for the Kirazlı site. The Kirazlı Heap Leach Facility (KHLF) will have a capacity of approximately 26 million tonnes. Similarly, a single heap leach facility is planned at the northern side of the Ağı Dağı site (HLF) with a capacity of approximately 70 million tonnes. These capacities were selected to process the measured and indicated mine plan resource for the selected pit design.

The preliminary design of the leach pads meets or exceeds North American standards and practices for containment, piping systems, and ponds, which is intended to lessen the environmental risk of the facilities to impact local soils, surface water, and groundwater in and around the site. Challenges to development of both sites include management of springs on and surrounding the sites, relatively steep topography, and the potential for relatively strong earthquake events. At the current level of review, these challenges have been overcome through use of sound engineering practices.

The HLFs are designed to operate as zero discharge systems; therefore, they include provisions to accommodate upset conditions such as severe storms and temporary loss of electric power or pumps.

The HLFs will have the following features:

KHLF will be constructed in two phases to accommodate 26 million tonnes of processed ore. The Ağı Dağı HLF will be constructed in three phases to accommodate 70 million tonnes of processed ore.

Both the KHLF and HLF will require large fills during construction to shape the sites for gravity solution control, storm water diversion, geotechnical stability, and will include ravine drains to collect and transmit spring flow to the natural drainage at the toe of the HLFs.

Both the KHLF and HLF will have a composite base liner that meets or exceeds international standards consisting of (from the base up) 0.5 m of compacted low permeability soil, a 2.0 mm thick high density polyethylene (HDPE) geomembrane, and a 0.7 m thick drainage layer of crushed ore or mine waste.

Ore will be stacked in nominal 10-meter lifts using conveyors and radial stackers starting from the lower elevations of the leach pad. Benches will be provided between lifts to provide an overall heap slope of 3H:1V.

Solution will be collected above the leach pad HDPE geomembrane and delivered to the Pregnant Pond using a drainage pipe system placed above the HDPE geomembrane within the 0.7 m drainage layer.

During normal operation, pregnant solution will be removed from the Pregnant Pond to an adsorption facility. During upset conditions, water will overflow by gravity from the Pregnant Pond to Event Ponds.

The Pregnant and Event Ponds have been sized to contain the sum of the normal operating volume, heap drain down during a 24-hour pump or power outage, precipitation falling on all lined areas during a

100-year, 24-hour storm event, and the seasonal accumulation of water expected for leaching operations during average climate conditions.

The Pregnant and Event Ponds will be constructed with a double-lined system that meets or exceeds international standards consisting of (from the base up) 0.5 m of compacted low permeability soil, a 1.5 mm thick HDPE secondary geomembrane, an HPDE geonet leak detection layer, and a 2.0 mm thick HDPE primary geomembrane.

### 1.3 Capital, Operating Costs and Financial Analysis

The capital expenditures required for the project are noted below for Kirazlı and Ağrı Dağı. The costs are based on the pre-feasibility level design as outlined in this report and are considered to have an accuracy of +/-20%. The referenced PFS summarizes and details these capital cost estimates.

All capital cost estimates are based on the purchase of equipment quoted new from the manufacturer or estimated to be fabricated new. DAMA supplied local costs wherever possible for items such as labor rates, earthworks, civils, platework, duties and taxes. Major equipment not available within Turkey was sourced out of Europe whenever possible. Some specialized equipment such as conveyor stackers, retorts and carbon regeneration kilns were sourced out of North America.

All costs are in first quarter 2012 US dollars. Where prices were supplied in Euros, an average conversion rate of 1.33 US dollars per Euro was used. Where prices were supplied in Turkish Lira, an average conversion rate of 1.8 TL per US dollar was used.

The referenced PFS assumes that Ağrı Dağı and Kirazlı will each have stand-alone crushing, agglomeration, heap leach, and process plant facilities. Capital expenditures also include the cost of building a reservoir to supply drinking water for the local community and process water for mining operations. Pre-production capital expenditures for the projects are estimated to be \$278.3 million for Ağrı Dağı and \$146.1 million for Kirazlı, for a total of \$424.4 million.

The Company currently has in excess of \$280 million in cash and short-term investments on hand, and expects to further increase its cash balance prior to the commencement of construction at Kirazlı. In addition, given the sequencing of the projects with production at Kirazlı commencing in the fourth quarter of 2014 and production at Ağrı Dağı commencing two years later, positive cash flows from Kirazlı will subsidize the construction of Ağrı Dağı starting in mid-2015. As a result of these factors, the Company expects to be able to internally finance these projects.

Total sustaining capital expenditures and reclamation costs (net of salvage values) for the combined projects are estimated to be \$26.9 million and \$41.0 million respectively, over the life of the projects. All capital items include a contingency ranging from 10% to 20% depending on the nature of the capital item, which equates to a total contingency of \$62.8 million, or 13% of the total project initial and sustaining capital.

**Table 1-7** provides a summary of capital expenditures for the projects.

**Table 1-7 Summaries of Capital Expenditures**

	Ağrı Dağı (US\$ millions)	Kirazlı (US\$ millions)	Combined (US\$ millions)
<b>Total Pre-Production Capital</b>	\$278.3	\$146.1	\$424.4
<b>Sustaining Capital</b>	\$17.2	\$9.7	\$26.9
<b>Reclamation (net of salvage values)</b>	\$31.1	\$9.9	\$41.0

<b>Total Project Capital</b>	\$326.6	\$165.7	\$492.4
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Under the base case economic scenario contemplated in the PFS applying an average gold price assumption of \$1,239 per ounce and \$24.56 per ounce of silver, the Company estimates the total cost per tonne of ore to be \$8.24 for Ağrı Dağı and \$9.56 for Kirazlı (combined \$8.60 total cost per tonne of ore).

The costs include mining, processing and general and administration costs, but exclude reclamation costs, which are included within total capital costs in the economic cash flow model. Revenues from the sale of silver are included as a by-product credit offset to selling costs. Mining costs assume that the Company will hire a contractor to conduct mining operations.

Operating costs for the project were estimated using staffing and wage requirements based on typical rates in the Turkish mining industry. Most unit consumptions of materials, supplies, power, and water are based on test work. Other values are based on information for similar operations, or generally accepted industry standards. The operating costs have been estimated and presented without added contingency allowances based upon the Pre-feasibility level design and operating criteria present in this report. The operating costs are considered to have an accuracy range of +/-20%.

**Table 1-8** highlights costs on a per ounce basis by project and on a combined basis. Presented in **Table 1-9** is the unleveled after-tax net present value (NPV).

**Table 1-8 Summary of Operating Costs per Gold Ounce**

	<b>Ağrı Dağı</b> (US\$ millions)	<b>Kirazlı</b> (US\$ millions)	<b>Combined</b> (US\$ millions)
<b>Mining Cost</b>	\$393	\$393	\$393
<b>Processing Cost</b>	\$168	\$210	\$182
<b>General and Administrative</b>	\$45	\$36	\$42
<b>Selling Costs and Silver by-product Credits</b>	\$(37)	\$(145)	\$(73)
<b>Total Cash Operating Costs</b>	\$569	\$494	\$544
<b>Royalties</b>	\$42	\$21	\$35
<b>Total Cash Costs (including royalties)</b>	\$611	\$515	\$579

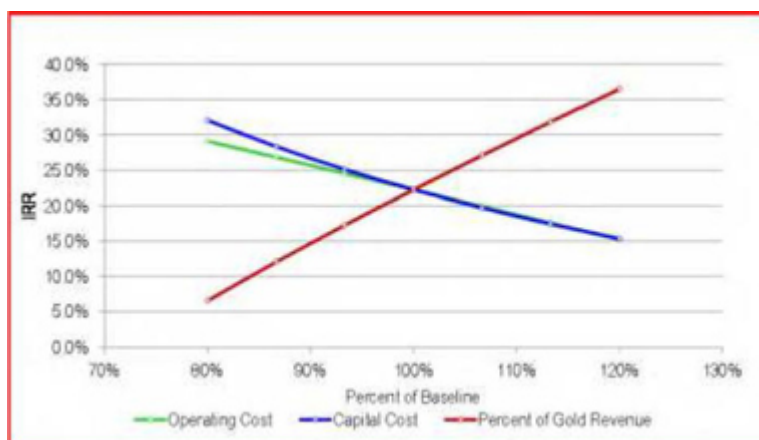
**Table 1-9 Unlevered After-Tax NPV (millions)**

<b>Discount Rate</b>	<b>Ağrı Dağı</b>	<b>Kirazlı</b>	<b>Combined)</b>
<b>0%</b>	\$258.3	\$214.2	\$472.5
<b>3%</b>	\$167.7	\$175.9	\$343.6
<b>5%</b>	\$121.5	\$154.1	\$275.6
<b>Internal Rate of Return</b>			22.3 %



The sensitivity of the Project's Internal Rate of Return (IRR) to gold revenue variations and variance of operating and capital cost are illustrated in **Figure 1-10**. Gold revenue is varied by plus and minus 20% from the base case recovery of 81% and/or \$1,239 per gold ounce. The operating cost of \$8.60 per ore tonne was varied by plus and minus 20%. The capital cost of \$492.4 million was varied by plus and minus 20%. The project shows the most sensitivity to gold revenue variations.

**Figure 1-10 Sensitivity Analysis Post Tax IRR to Variable Operating Cost, Capital Cost and Gold Revenue**



The economic analysis was prepared using a discounted cash flow (DCF) method which measures the NPV of future cash flow streams. The evaluation was based on the following main assumptions:

Construction starts at Kirazlı in the third quarter of 2013 with construction at Ağrı Dağı starting in the fourth quarter of 2013

First gold pour at Kirazlı during the fourth quarter of 2014 and the first gold pour at Ağrı Dağı during the fourth quarter of 2016

For the combined project, period of analysis of 15 years

Silver revenue included as a by-product credit

4% corporate tax rates

Double declining balance depreciation method

Exploration and concession expenses depreciated using units of production

Costs are expressed in first quarter 2012 US dollars

NPV analysis is presented as of January 1, 2013.

According to Turkish Corporate Tax Law No. 5520, the effective corporate tax rate is 20%. Reduced corporate tax rates are available to companies that qualify under the tax incentive program codified into law on June 19, 2012. Prior year losses going back five years can be deducted when determining the corporate tax base, and accordingly expenses incurred during exploration can be deducted during the operational phase.

For the purpose of PFS work-up, Alamos has incorporated the corporate tax rate reduction into the economic analysis. Eligibility for these incentives is subject to an application approval process which Alamos has not applied for as of the date of the PFS. However, Alamos has consulted with an international accounting firm who has expressed a view that Alamos would be eligible for these incentives.



Alamos performed an after-tax NPV analysis using spot gold and silver prices as of June 27, 2012 (\$1,575/oz gold and \$27/oz silver). The analysis yielded an after-tax IRR of 36.5% and several after-tax NPVs were calculated at various discount rates, which are presented in **Table 1-10**.

**Table 1-10 After-tax NPV (millions) at Spot Gold and Silver Prices 27 June 2012**

Discount Rate (%)	Ağı Dağı	Kirazlı	Combined
0%	608.6	330.4	939.0
3%	446.4	274.3	720.7
5%	362.2	242.4	604.6
10%	210.8	177.7	388.5

#### 1.4 Opportunity / Risks

The referenced PFS addressed potential opportunities or risks that could increase or decrease project performance. **Table 1-11** summarizes the top opportunities that will be further developed to increase project performance or schedule delivery.

**Table 1-11 Top Opportunities to Improve Project Performance**

Opportunity	Impact to Improve Performance	Recommended Action	Approx. Estimated Cost Impact
<b>Owner supplied equipment and operators for the ore and waste</b>	Reduce operating costs by self performing mine operations	Trade study in FEED engineering	Savings of up to 7% on mine operating costs
<b>Conversion of Inferred material to Measured and Indicated</b>	Mineral resource model has inferred material, that is expected to be converted to measured and indicated	Continue to drill and explore site for the conversion of inferred material to measured and indicated	Approximately US\$60M increase to NPV
<b>Steeper pit slopes</b>	Current pit slope design is based on conservative estimates for slope stability	During detailed design, these slopes will be better defined to steeper angles; thus reducing strip ratio and waste material generation	Potential increase to NPV
<b>Conveyors versus haul trucks</b>	Ağı Dağı mine plan haul is from the Baba and Deli pits to the central crusher and conveyor to heap leach and process. Changes to mine plan may demonstrate additional savings by utilization of additional	During the final design, mine plan will be finalized with consideration of added conveyor lengths and generator power production for downhill ore handling	US\$25M increase to NPV

conveyors at pit location  
versus haul trucks

**Increased HLF stack  
height (ADA)**

Does not require added liner  
and construction for heap leach  
associated with future  
expansions (Çamyurt)

During final design, the HLF  
will be reviewed and designed  
to increase the stack height  
from 70 meters to 90 meters  
for future expansion

Ability to accommodate  
additional 20M tonne of ore

Opportunity	Impact to Improve Performance	Recommended Action	Approx. Estimated Cost Impact
<b>Free digging without drill and blast</b>	Ore materials may be of the geologic type that would not require drill and blast, thus reducing the need to drill, blast	During design phase additional samples will be taken to validate potential	Potential increase to NPV
<b>Increase resources from Çamyurt property</b>	Increased resources within the mine plans utilize existing infrastructure and equipment	Complete drilling program	Potentially 600,000 Au oz increase

Furthermore the investment incentives that have been enacted into law on June 19, 2012 will have additional positive financial impact on the project. This analysis is currently being completed by KPMG, Turkey.

The PFS documents potential risks associated with project unknowns that could result in project delays, cost increases or impact to stakeholders. **Table 1-12** summarizes the top five potential risks resulting from this analysis with the mitigation to minimize impact to project delivery.

**Table 1-12 Top Five Potential Risks**

Risk	Impact Performance	Recommended Action	Estimated Cost/Schedule Impact
<b>Permit delay</b>	Potential delays could occur due to unexpected comments or requests for additional analyses during review process	Thorough and critical review of the EIA, initiate early engineering and procurement prior to permit approval to ensure schedule work-around in the event of delay; consistently engage with regulatory authorities and impacted communities	3-6 month delay
<b>Construction water supply</b>	Ağ1 Dağı HLF construction requires water for compaction of fills during construction end of 3rd Qtr 2014	Water for the HLF construction will be supplied by the reservoir; to mitigate potential delay in reservoir supply the project will: Expedite design, permitting, and construction of the reservoir Increase well development for	US\$2M within current contingency allocation

construction water  
temporary supply

<b>Community relations</b>	If a community is not in favor of a development project, potential delays could be significant	Maintain positive on-going CR/PR activities	3-6 month delay
<b>Turkish construction productivity</b>	Potential Productivity Delay	Select experienced and qualified contractor	Estimate includes current Turkish contractor productivities; additional costs is within the project contingency

Risk	Impact Performance	Recommended Action	Estimated Cost/ Schedule Impact
Reservoir delay for community and process water supply	Community and process water supply from the reservoir	Manage successful schedule delivery and integrate community in the project benefits	3-6 month delay

### 1.5 Project Execution

In order to achieve the below development milestones, it is expected that Front End Engineering Design (“FEED”) will commence in Q3, 2012. The FEED shall consist of a 20% to 25% design level of completion; with an expectation of a design confidence of 80% and cost estimate accuracy of +15% / -10%. **Table 1-13** summarizes the follow-on milestones to comply with Q4-2014 / Q4-2016 Kirazlı / Ağı Dağı Gold pour dates.

**Table 1-13 Project Execution**

	Kirazlı	Ağı Dağı
Feed Engineering	Q3-2012	Q3-2012
EIA Approval	Q1-2013	Q2-2013
Forestry Permit and License to Start and Operate a Business Permit	Q3-2013	Q4-2013
Operating Permits	Q3-2013	Q4-2013
Construction Start	Q3-2013	Q4-2013
First Gold Pour	Q4-2014	Q4-2016

### 1.6 Conclusions and Recommendations

The conclusions and recommendations are summarized in Sections 25 and 26 of this NI 43-101 submittal. Based on above summary, the main conclusion is the project is technically and financially viable and should proceed to full development as documented in the PFS #002 dated June 30, 2012 PFS.

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**SCHEDULE “B”**  
**DESCRIPTION OF THE MULATOS MINE**

**1.1 Property Description & Location**

The Salamandra Property, which encompasses a total of approximately 30,535 ha covering a portion of the Mulatos District, is located in the Sierra Madre Occidental mountain range in the east central portion of the State of Sonora, Mexico. The property is located approximately 220 km by air east of the city of Hermosillo, and 300-km south of the border with the United States of America.

The Salamandra Property contains the Mulatos deposit and ten satellite gold systems known as El Halcon, La Yaqui, Los Bajios, El Jaspe, Cerro Pelon, El Victor/Gap, San Carlos, La Dura, El Realito, and El Carricito. Mineral rights for all concessions comprising the Salamandra Property are controlled by Minas de Oro Nacional, S.A. de C.V., a Mexican company, wholly owned by Alamos Gold, Inc.

**1.2 Geological Setting and Deposit Type**

The Mulatos District mineral deposits are large epithermal; high-sulfidation, disseminated gold deposits hosted within a mid-Tertiary age dacite, rhyodacite and associated volcanoclastic rocks in dacitic dome complexes and intrusive centers. Gold mineralization is closely associated with silicic alteration and advanced argillic alteration, occurring within large areas of argillic alteration. High-grade gold mineralization is locally present, consisting of late stage native gold. The greater Mulatos deposit is composed of sub-deposits known as Estrella, El Salto, Mina Vieja, Escondida, Puerto del Aire, Gap, El Victor and San Carlos, all of which except for Gap and Puerto del Aire contain economic mineralization.

**1.3 Exploration**

In addition to the Mulatos/Estrella deposit, the ten satellite systems have known gold mineralization with varying levels of exploration advancement:

- i El Halcon: Drill-indicated mineralization, untested exploration targets.
- i La Yaqui: Drill-defined reserve; untested exploration targets.
- i Los Bajios: Partially drill-tested exploration target; mineralized intercepts.
- i El Jaspe: Partially drill tested exploration target; mineralized intercepts.
- i Cerro Pelon: Drill-defined reserve; untested exploration targets.
- i El Victor/Gap: Drill-defined resource and reserve.
- i San Carlos: Drill-defined resource and reserve; open intercepts.
- i La Dura: Untested exploration target; geochemical anomalies.
- i El Realito: Drill-defined mineralization, open intercepts; resource estimation in progress.
- i El Carricito: Drill-defined mineralization; resource estimation in progress.

**1.4 Mineral Resource Estimates**

The open pit portion of the Mineral Resource estimates were performed by IMC under the direction of Herb Welhener and the underground portion of the Mineral Resource estimates were performed by Practical Mining under the direction of Mark Odell.

The mineral resources at the Mulatos mine and San Carlos areas were estimated from a total of 1,964 drill holes and 44 channel sample sets. The main controls on gold mineralization are the alteration intensity and the reduction in oxidation states (redox). These controls were integrated in the estimation of gold grades with the ordinary kriging technique. Assay composites of 3 m lengths were capped for high-grade outliers and utilized to determine the gold grade spacial continuities with relative pairwise variograms. Gold grades were interpolated into 6 m x 6 m x 9 m blocks with parameters derived from the modeled variograms. These estimates were validated with various verification tests and reported below in Tables 1.1 and 1.2. The mineral resource is dated of December 31, 2011 and reported at a 0.5 g/t gold cut-off.

**Table 1.1**  
**Mineral Resource at Various Gold Grade Cut-Offs (inclusive of mineral reserves)\***  
**Mulatos Mine + San Carlos Areas - 31 December 2011**

	Measured			Indicated			Measured+Indicated			Inferred		
<b>Cut-off grade (Au g/t)</b>	<b>Tonnes (000s)</b>	<b>Grade (g/t Au)</b>	<b>Contained Ounces Au</b>	<b>Tonnes (000s)</b>	<b>Grade (g/t Au)</b>	<b>Contained Ounces Au</b>	<b>Tonnes (000s)</b>	<b>Grade (g/t Au)</b>	<b>Contained Ounces Au</b>	<b>Tonnes (000s)</b>	<b>Grade (g/t Au)</b>	<b>Contained Ounces Au</b>
2.0	1,550	5.55	276,713	7,166	3.49	803,559	8,716	3.85	1,080,272	794	3.14	80,207
1.5	2,597	4.00	334,185	13,783	2.64	1,168,086	16,380	2.85	1,502,271	1,848	2.33	138,669
1.0	5,103	2.63	432,207	30,877	1.84	1,830,031	35,980	1.96	2,262,238	3,880	1.74	217,561
0.7	8,642	1.89	525,439	60,161	1.35	2,612,241	68,803	1.42	3,137,680	8,043	1.27	327,780
0.5	13,143	1.45	611,086	103,004	1.03	3,421,069	116,147	1.08	4,032,155	17,432	0.90	506,031
0.3	20,310	1.08	704,941	185,847	0.75	4,463,915	206,157	0.78	5,168,856	37,488	0.63	755,141

\*Includes mineral resources from the La Yaqui and Cerro Pelon deposits

**Table 1.2**  
**Mineral Resource at Various Gold Grade Cut-Offs (exclusive of mineral reserves)\***  
**Mulatos Mine + San Carlos Areas - 31 December 2011**

	Measured			Indicated			Measured+Indicated			Inferred		
<b>Cut-off grade (Au g/t)</b>	<b>Tonnes (000s)</b>	<b>Grade (g/t Au)</b>	<b>Contained Ounces Au</b>	<b>Tonnes (000s)</b>	<b>Grade (g/t Au)</b>	<b>Contained Ounces Au</b>	<b>Tonnes (000s)</b>	<b>Grade (g/t Au)</b>	<b>Contained Ounces Au</b>	<b>Tonnes (000s)</b>	<b>Grade (g/t Au)</b>	<b>Contained Ounces Au</b>
2.0	699	4.17	93,704	4,948	3.38	537,036	5,647	3.47	630,740	794	3.14	80,207
1.5	1,214	3.13	122,109	9,419	2.59	784,025	10,633	2.65	906,134	1,848	2.33	138,669
1.0	2,595	2.11	175,662	21,536	1.81	1,251,513	24,131	1.84	1,427,175	3,880	1.74	217,561
0.7	4,816	1.51	234,049	43,913	1.31	1,848,584	48,729	1.33	2,082,633	8,043	1.27	327,780
0.5	7,818	1.16	290,657	77,173	1.00	2,475,562	84,991	1.01	2,766,219	17,432	0.90	506,031
0.3	13,197	0.85	361,974	147,200	0.71	3,356,485	160,397	0.72	3,718,459	37,488	0.63	755,141

\*Includes mineral resources from the La Yaqui and Cerro Pelon deposits

## 1.5 Mineral Reserve Estimates

The mineral reserve for the Mulatos Project is the sum of open pit and underground mineral reserves plus the existing stockpiles. The open pit mineral reserve is contained within designed pits for the main pit (including Estrella, Escondida, Mina Vieja and Salto areas), Victor, San Carlos, Yaqui and Pelon. The open pit mineral reserves include heap ore and mill ore plus tonnages that will go to the SAS (Silica Altered Sulfide - refractory material) and high copper stockpiles for later processing. The underground mineral reserve is within the underground mine designs for San Carlos and Escondida. The La Yaqui (Yaqui) and Cerro Pelon (Pelon) open pit reserves consist of heap leach ore which will be processed at facilities at each location. Table 1.3 is a summary of the proven and probable mineral reserve as of 31 December 2011.

Table 1.3									
Mulatos Project Mineral Reserve									
	Proven			Probable			Sum of Proven & Probable		
	Tonnes (000)	Grade g/t Au	Contained Ounces	Tonnes (000)	Grade g/t Au	Contained Ounces	Tonnes (000)	Grade g/t Au	Contained Ounces
Mulatos Pits (1)	8,222	1.47	387,968	46,774	0.91	1,367,852	54,996	0.99	1,755,820
Stockpiles (2)	3,347	2.01	216,550	0			3,347	2.01	216,550
Underground (3)	173	6.38	35,487	684	5.23	115,015	857	5.46	150,502
La Yaqui	0			1,574	1.58	79,826	1,574	1.58	79,826
Cerro Pelon	0			2,673	1.64	140,525	2,673	1.64	140,525
Total	11,742	1.69	640,005	51,705	1.02	1,703,218	63,447	1.15	2,343,223

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Notes:

- 1) Mulatos pits include Estrella, Escondida, Mina Vieja, Salto, Victor and San Carlos and is the sum of heap leach, mill, SAS (refractory ore) and high copper ore types.
- 2) Stockpiles include SAS and high copper stockpiles as of end of 2011.
- 3) Underground includes the San Carlos and Escondida material outside of the pit designs.

## **1.6 Mining Methods**

The mining at Mulatos is currently by open pit mining with the addition of underground operations scheduled to start in late 2014. The open pit mining commenced in 2005 and has continued un-interrupted within the main pit area. Alamos Gold has done no mining at Victor, San Carlos, Yaqui or Pelon.

### **1.6.1 Open Pit Mining Methods**

The open pit mining is a typical drill, blast, load haul operation with mining in the main pit being done with 9 meter bench heights. The mine switched from a 6 meter to 9 meter bench about two years ago for improved productivity. A 9 meter bench will be used at Victor and San Carlos and it is anticipated that a 3 meter bench will be used at Yaqui and Pelon to improve selectivity. The open pit schedule calls for an average of 17,500 tonnes per day (tpd) of heap ore to be delivered to the primary crusher except during the rainy season (third quarter of the year) when the schedule is for 16,000 tpd of heap ore. The mill started in early 2012 at 500 tpd which is currently supplied by the open pit mining in the Escondida area of the main pit. This ore will be augmented with underground ore and open pit mill ore from San Carlos and underground ore from the Escondida area.

The open pit mining is conducted by Alamos with assistance by a contract mining company. The current combined fleet is sufficient to maintain the current operation of production mining and waste stripping. It is anticipated that two haul trucks will be added to the fleet when mining begins in Victor and San Carlos late in 2013. By the end of 2014, an additional 9 trucks will be required when production increases in Victor and San Carlos because of the longer hauls from these locations. The peak production years are from the last quarter in 2014 through the end of 2016, after which the truck requirements drop off. An additional grader and water truck may be required to maintain the additional road length. No other additional mining equipment is required other than routine replacements due to wear and age.

### **1.6.2 Open Pit Production Schedule**

Currently mining occurs in the main pit areas of Estrella (the south end of the main pit) and Escondida (northeast area of the pit). The mining sequence of the open pits and underground areas is shown in Table 1.4. The open pit mining rate is 6,165,000 tonnes of heap ore per year and 180,000 tonnes of mill ore. The amount of SAS and high copper stockpile materials vary by year and mining location. The total tonnage mined varies from a 14,291,000 tonnes in year 2013 to a peak in 2015 of 19,843,000 tonnes and then dropping off as waste stripping declines. The re-handle of the SAS and high copper material from stockpile to the heap begins in 2019 if no other process is used .

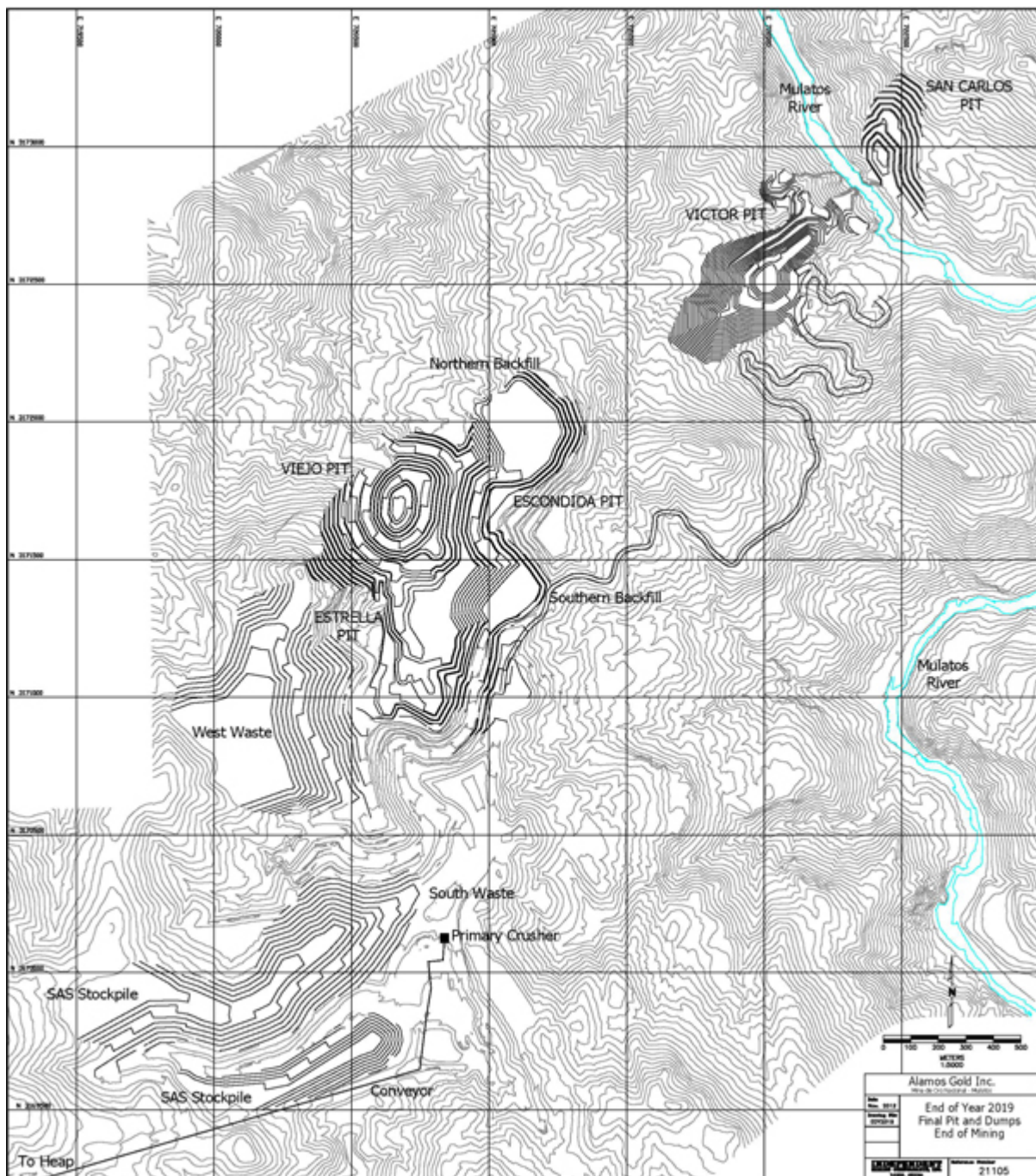
The eastern pits of Victor and San Carlos (Figure 1.1) are mined starting in late 2013 with waste stripping in both pits. The mining of San Carlos will provide high grade mill ore to replace the mill ore from Escondida open pit which runs out in early 2015. Both of these open pit mill ore sources will be augmented by the underground mill ore production during the years of 2014 through 2019 with a total of about 1.3 million tonnes of mill ore being produced (years 2012 through 2019). All material from the Victor and San Carlos pits (ore, stockpile ores and waste) will be hauled to the main pit area for processing or permanent storage.

The Pelon and Yaqui mine areas are located to the southwest (Figure 4.2) of the main Mulatos pit and the ore will be processed by heap leach at each of these properties. The mining schedules for these pits is to start in early to mid-2015 and Yaqui will finish in 2018 and Pelon in mid-2019. The mining rates at full production are 800,000 tonnes per year of ore to the heap leach at Pelon and 550,000 tonnes per year at Yaqui. Life of mine waste to ore ratios are 2.13 to 1.00 at Pelon and 0.17 to 1.00 at Yaqui.

**Table 1.4**  
**Mining Locations by Year**

Year	Mining Area						
	Main Pit	Victor	San Carlos Open Pit	San Carlos Underground	Yaqui	Pelon	Stockpile Re-handle
2012	X						
2013	X	X	X				
2014	X	X	X	X			
2015	X	X	X	X	X	X	
2016	X	X		X	X	X	
2017	X	X		X	X	X	
2018	X	X	X	X	X	X	
2019	X		X	X		X	X
2020							X
2021							X

All waste and stockpile materials are currently stored south of the main pit (Figure 1.1) with a waste storage area west of the main pit recently started. The SAS and high copper stockpile materials will continue to be added to the south stockpiles from the main pit, Victor and San Carlos mining. The waste materials from the main pit go to the south or west dumps. The waste from Victor and San Carlos go to the south dump with a portion of the non-acid rock drainage (ARD) waste being used for widening the road from Victor to the main pit. The waste from Victor and San Carlos starting in year 2016 will be placed as back fill in the Escondida area of the main pit which has been mined out by this time. Waste from Yaqui and Pelon will be stored locally near the open pits.



**Figure 1.1 - Mulatos Mine General Layout**

### 1.6.3 Underground Mining

Underground mining can economically recover portions of the high grade mineralization at San Carlos and Escondida that are outside the ultimate economic pit limit. The primary mining method used will be long hole open stoping (LHOS) with delayed backfill. This will be supplemented by a modified drift and fill method where the thickness of economic mineralization does not permit LHOS. Underground reserves are summarized in Table 1.5.

Table 1.5										
Mulatos Underground Mineral Reserves - 31 December 2011										
Mine	Cutoff g/t	Proven			Probable			Total		
		kt	g/t	koz	kt	g/t	koz	kt	g/t	koz
Underground										
San Carlos	2.5	154	6.04	29.8	658	5.15	108.9	812	5.31	138.7
Escondida	2.6	19	9.10	5.7	26	7.31	6.0	45	8.08	11.7
<b>Total</b>		<b>173</b>	<b>6.38</b>	<b>35.5</b>	<b>664</b>	<b>5.38</b>	<b>114.9</b>	<b>857</b>	<b>5.46</b>	<b>150.4</b>

The company should pursue the following recommendations to facilitate timely and efficient extraction of the underground reserves:

- i Assemble an underground team of managers, geologists and engineers to direct the contractors operations and provide technical support.
- i Solicit proposals from qualified contractors with experience at similar projects in Mexico.
- i Complete the geologic and geotechnical assessment of the San Carlos river crossing.
- i Initiate final design of the underground facilities.

## 1.7 Recovery Methods

The Mulatos heap leach facility and ADR plant have been operating for the past six years and have demonstrated that the selected precious metal recovery methods are reasonable and have demonstrated low unit operating costs. The recently installed high grade mill (gravity plant) had operating challenges during the first year of operation which are being addressed. Improvements to the functionality of the gravity plant are continuing.

Additional metallurgical testing and studies to optimize precious metal recovery are recommended on samples from Estrella, San Carlos, and El Victor. Column leach tests on representative samples from Yaqui are also recommended. It is anticipated that this work will be conducted at the onsite laboratory with possible corroboration by outside testing facilities.

## 1.8 Environmental

The current environmental conditions at the site plus the potential environmental impacts from mining operations are summarized in Section 20.1. The waste and water management programs are summarized in Section 20.2. The regulatory framework and permit status are described in Section 20.3. The socio-economic program is described in Section 20.4. Mine closure is discussed in Section 20.5. And all five topics are briefly summarized in this section.

The Mulatos Mine is located in a rural area of the State of Sonora, Mexico, in a ranching area that has a low population density. Potential environmental impacts to surface soils, water, the ecology and air quality are mitigated as part of the mining operations. Environmental baseline studies were prepared to characterize the environmental conditions of the area, including climate, fauna, flora (AGRA Ambiental, 1995) and hydrology (Water Management Consultants, 1997), and were summarized in the Feasibility Study prepared by M3 Engineering & Technology Corp (2004d).

The project area lies in a temperate sub-humid climate zone. The mean annual temperature at Mulatos is approximately 19.6°C. Rainfall at the site shows marked seasonal variation that is characteristic of all of northwestern Mexico. The mean annual rainfall is estimated to be 806 mm, year-to-year fluctuations can be extreme, with maximum monthly rainfall occurs in July and August, representing about 50 percent of the annual total.

The mean annual pan evaporation rate in the project area is estimated at 2,111 mm. Evaporation generally coincides with an increase in temperature. Except for the months of July and August, evaporation exceeds



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precipitation. The data indicate that the greater portion of the precipitation falling in the project area is lost to evaporation.

The Mulatos Mine uses a fresh water source and influences the local hydrologic system. The local surface water and groundwater system were characterized prior to operations and is currently monitored on a routine basis for impacts.

In the Mulatos region, groundwater flow on a regional scale is minimal. The lack of regional flow results from structural dissection of the terrain (which gives topography dominant control over groundwater flow), and from the absence of laterally extensive porous and permeable geologic units. Despite this, general statements can be made about the controls and characteristics of local and sub-regional groundwater flow.

Flora and fauna studies have been undertaken for the Mulatos Mine area. The state of Sonora holds the 15th place in diverse vertebrates endemic to Mesoamerica. There are 153 species in Mesoamerica, and 70 are endemic to Mexico, 8 endemic to the state and 6 have limited distribution. For the state of Sonora, in the biomes represented in and around the project area, the literature reports fewer than 200 species of animals, including amphibians. Of this total, about 39 percent of the genre and 46 percent of the species corresponds to mammals, followed by birds represented with 48 genres.

Mexican laws require mandatory monitoring programs that are implemented under the Mexican environmental agency (SEMARNAT). The following monitoring programs have been established at the Mulatos Mine: groundwater quality, surface water quality, air quality, Perimeter noise, Fauna registry, Flora species rescue record, nursery plant production, soils, and cleared surface restored/reforested registry. Most monitoring is biannual or annual with the exception of groundwater quality which is monitored quarterly.

The Mulatos Mine manages water on the site through a variety of facilities, including ponds, tanks and diversion structures. Water pumped from the Rio Mulatos and from precipitation is used in the operations. The only discharge (effluent) from the site is via the waste rock dump, where run-off is captured at the North Dam and then conveyed to the water treatment plant. The current pumpage to the plant is a maximum of 1,200 gpm. The layout of the water balance flow diagram has been defined. A written water management plan has not been prepared.

The water treatment system includes a Sludge Densification Plant (SDP). It is located west of the Escondida Pit on a mid-elevation bench close to the former village of Mulatos. Seepage and runoff water from the mine site are pumped from a collection pond to the plant. The treated water is released to Arroyo Mulatos, which flows to the Rio Mulatos. The discharge is treated to meet the water quality concentrations equivalent to the baseline concentrations prior to entering the discharge point at the arroyo. It was noted, however, that the community of Mulatos discharges untreated wastewater into the arroyo at a point immediately downstream of the mine.

The Mulatos Mine has an established socio-economic program with the local community and has supported it with social projects and financial assistance. Examples of recent projects and assistance provided by the Company include the following:

- i MON has a scholarship program for children and youth in the region (Mulatos, Matarachi, El Trigo, Yécora, Arivechi, Sahuaripa, Bacanora), for primary (6 to 12 years), secondary (12 to 15 years), preparatory (15 to 18 years) and university levels.
- i Free medical services and medicine for nearby residents.
- i Support for school infrastructure or supplies for the five schools in the region.
- i Economic support for specialized medical services for the residents of Mulatos.
- i Small business support for services that don't qualify as local providers. Includes services for different areas of the mine.

Examples of recent projects and assistance provided by the Company include the following:



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The mine has established a 5-step procedure of dialogue and information availability between Mulatos Mine and the stakeholders.

The Mulatos Mine includes open pits, waste dumps, leach pads, storage ponds, conveyors, a dam, roads, an air strip, a water treatment plant, buildings and other structures, and areas used for crushing, explosive storage, and numerous working areas. Closure planning includes covering the waste dumps and leach pads with an engineered store and release cover to minimize the amount of water entering these facilities and to allow for reclamation. The general closure plan is to remove all structures and reclaim the site. The closure costs have been estimated at US\$ 8,320,998. Annual monitoring costs are estimated at US\$ 70,000.

### **1.9 Heap Leach Facility**

The heap leach pad and associated process and event ponds have been constructed with lining systems designed to meet accepted environmental standards in North America. Ore is being conveyor-stacked and leached on the heap leach pad using industry-accepted methods and practices. Process and event ponds have sufficient capacity to contain heap leach solution and additional fluids from upset events, such as power and pump outages and severe storm events, using industry-accepted design standards and assumptions appropriate for the currently-constructed heap. Geotechnical stability analyses completed to model both static and earthquake loads indicate that the heap, as currently stacked, is physically stable. In summary, both the operating history and current practices support the conclusion of little risk of interruption of processing associated with the heap leach facility.

Thirty four (34) million tonnes of ore have been stacked and processed on combined Phases 1 and 2 of the heap leach facility. Under current plans, there is an additional capacity of about 40 to 45 million tonnes of ore on the heap available through use of a combination of inner-lift liners within the heap and an identified new expansion area southeast of the Phase 1 leach pad. Adherence to recommendations in Section 26 regarding stability analyses and fluid management will assure that the proposed expansions will continue to maintain acceptable operational risks associated with the heap leach facility.

### **1.10 Operating Financials**

The Mulatos Mine has been in production since 2005 and commercial production since 2006. Gold production has exceeded 150,000 ounces in every year since 2008. Below are tables summarizing certain cost and financial information for the third quarter and year-to-date periods ended September 30, 2012.

**Table 1.6**  
**Production Summary**

<b>Production Summary</b>	<b>Q3 2012</b>	<b>Q3 2011</b>	<b>Q3 YTD 2012</b>	<b>Q3 YTD 2011</b>
Ounces produced <sup>(1)</sup>	43,500	33,000	132,200	106,500
Crushed ore stacked on leach pad (tonnes) <sup>(2)</sup>	1,345,000	1,255,000	4,056,000	3,697,000
Grade (g/t Au)	1.25	1.35	1.19	1.29
Contained ounces stacked	54,000	54,500	155,200	153,300
Crushed ore milled (tonnes)	49,100	-	118,700	-
Grade (g/t Au)	13.25	-	11.67	-
Contained ounces milled	20,900	-	44,500	-
Ratio of total ounces produced to contained	58%	61%	66%	70%
Ounces stacked and milled				
Total ore mined (tonnes)	1,399,000	1,360,000	4,167,000	3,853,000
Waste mined (tonnes)	750,000	1,385,000	2,538,000	2,875,000
Total mined (tonnes)	2,149,000	2,745,000	6,705,000	6,728,000
Waste-to-ore ratio	0.54	1.02	0.61	0.75
Ore Crushed per day (tonnes) - combined	15,200	13,500	15,200	13,500

(1) Reported gold production for Q3 2011 and YTD 2011 has been adjusted to reflect final refinery settlement. Reported gold production for Q3 2012 and YTD 2012 is subjected to final refinery settlement and may be adjusted

(2) Excludes mill tailings stacked on the heap pad during the period.

**Table 1.7**  
**Cost per Tonne Summary**

<b>Costs per tonne summary</b>	<b>Q3 2012<sup>(1)</sup></b>	<b>Q3 2011<sup>(2)</sup></b>	<b>Q3 YTD 2012<sup>(1)</sup></b>	<b>Q3 YTD 2011<sup>(2)</sup></b>
Mining cost per tonne of material (ore and waste)	\$2.87	\$1.83	\$2.66	\$1.97
Waste-to-ore ratio	0.54	1.02	0.61	0.75
Mining cost per tonne of ore	\$4.41	\$3.70	\$4.28	\$3.45
Crush/conveying cost per tonne or ore	\$2.64	\$2.56	\$2.34	\$2.50
Processing cost per tonne of ore	\$4.80	\$3.36	\$3.49	\$2.85
Mine administration cost per tonne of ore	\$2.03	\$1.85	\$1.95	\$1.97
<b>Total cost per tonne of ore <sup>(1) (2)</sup></b>	<b>\$13.88</b>	<b>\$11.47</b>	<b>\$12.06</b>	<b>\$10.77</b>

(1) Q3 and YTD 2012 cost per tonne reflects total costs related to crushed ore stacked on the leach pad and crushed ore milled on a blended basis

(2) Q3 and YTD 2011 cost per tonne figures represent costs related crushed related crushed ore stacked on the leach pad only

**Table 1.8**  
**Cash Operating Cost Reconciliation**

<b>Cash operating cost reconciliation</b>	<b>Q3 2012</b>	<b>Q3 2011</b>
Total cost per tonne of ore	\$13.88	\$11.47
Ore stacked/milled (tonnes)	1,394,100	1,255,000
Total cost	\$19,350,100	\$14,395,000
Inventory adjustments to reflect additional ounces produced from (allocated to) leach pad inventory and other period costs	(\$3,831,100)	(\$3,921,000)
Mining and processing costs allocated to ounces sold as	\$15,519,000	\$10,474,000



reported on income statement		
Ounces sold	43,255	27,450
Cash operating cost per ounce sold	\$359	\$382

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**SCHEDULE “C”**  
**COMPULSORY ACQUISITION PROVISIONS OF SECTION 300 OF THE BCBCA**

**300. Acquisition procedures –**

(1) In this section:

“**acquiring person**” means a person who, under a scheme or contract, makes an acquisition offer, and includes 2 or more persons who, directly or indirectly,

(a) make an acquisition offer jointly or in concert, or

(b) intend to exercise jointly or in concert voting rights attached to shares for which an acquisition offer is made;

“**acquisition offer**” means an offer made by an acquiring person to acquire shares, or any class of shares, of a company;

“**offeree**”, in respect of an acquisition offer, means a shareholder to whom the acquisition offer is made;

“**subject company**” means the company, shares or any class of shares of which are the subject of an acquisition offer.

(2) For the purposes of this section,

(a) every acquisition offer for shares of more than one class of shares is deemed to be a separate acquisition offer for shares of each class of shares, and

(b) each acquisition offer is accepted if, within 4 months after the making of the offer, the offer is accepted regarding the shares, or regarding each class of shares involved, by shareholders who, in the aggregate, hold at least 9/10 of those shares or of the shares of that class of shares, other than shares already held at the date of the offer by, or by a nominee for, the acquiring person or its affiliate.

(3) If an acquisition offer is accepted within the meaning of subsection (2)(b), the acquiring person may, within 5 months after making the offer, send written notice to any offeree who did not accept the offer, that the acquiring person wants to acquire the shares of that offeree that were involved in the offer.

(4) If a notice is sent to an offeree under subsection (3), the acquiring person is entitled and bound to acquire all of the shares of that offeree that were involved in the offer for the same price and on the same terms contained in the acquisition offer unless the court orders otherwise on an application made by that offeree within 2 months after the date of the notice.

(5) On the application of an offeree under subsection (4), the court may

(a) set the price and terms of payment, and

(b) make consequential orders and give directions the court considers appropriate.

(6) If a notice has been sent by an acquiring person under subsection (3) and the court has not ordered otherwise under subsection (4), the acquiring person must, no earlier than 2 months after the date of the notice, or, if an application to the court by the offeree to whom the notice was sent is then pending, at any time after that application has been disposed of,

(a) send a copy of the notice to the subject company, and

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- (b) pay or transfer to the subject company the amount or other consideration representing the price payable by the acquiring person for the shares that are referred to in the notice.
- (7) On receiving the copy of the notice and the amount or other consideration referred to in subsection (6), the subject company must register the acquiring person as a shareholder with respect to those shares.
- (8) Any amount received by the subject company under this section must be paid into a separate account at a savings institution and, together with any other consideration so received, must be held by the subject company, or by a trustee approved by the court, in trust for the persons entitled to that sum.
- (9) If the acquiring person has not, within one month after becoming entitled to do so, sent the notice referred to in subsection (3), the acquiring person must send a written notice to each offeree referred to in subsection (3) stating that the offeree, within 3 months after receiving the notice, may require the acquiring person to acquire the shares of that offeree that were involved in the acquisition offer.
- (10) If an offeree requires the acquiring person to acquire the offeree's shares in accordance with subsection (9), the acquiring person must acquire those shares for the same price and on the same terms contained in the acquisition offer.

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**SCHEDULE "D"**  
**UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS**



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# ALAMOS GOLD INC.

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## Unaudited Pro Forma Consolidated Financial Statements

**September 30, 2012**

(Based on International Financial Reporting Standards ("IFRS")) and stated in thousands of United States dollars)

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# ALAMOS GOLD INC.

## Unaudited Pro Forma Consolidated Statement of Financial Position

September 30, 2012

(stated in thousands of United States dollars)

	Alamos Gold Inc.	Aurizon Mines Ltd.	Note Reference	Pro forma adjustments	Pro forma consolidated
<b>A S S E T S</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 287,042	\$ 202,508	a,b,c,d	\$(309,690 )	\$ 179,860
Short-term investments	29,869	-		-	29,869
Amounts receivable	7,697	11,403		-	19,100
Advances and prepaid expenses	2,533	3,377		-	5,910
Available-for-sale securities	4,346	810		-	5,156
Other financial assets	627	-		-	627
Inventory	46,343	16,309		-	62,652
<b>Total Current Assets</b>	<b>378,457</b>	<b>234,407</b>		<b>(309,690 )</b>	<b>303,174</b>
<b>Non-Current Assets</b>					
Exploration and evaluation assets	119,708	5,251	d	12,911	137,870
Mineral property, plant and equipment	208,571	192,686	d	606,362	1,007,619
Other long-term assets	-	5,960		-	5,960
Goodwill	-	-	d	40,845	40,845
<b>Total Assets</b>	<b>\$ 706,736</b>	<b>\$ 438,304</b>		<b>\$ 350,428</b>	<b>\$ 1,495,468</b>
<b>L I A B I L I T I E S</b>					
<b>Current Liabilities</b>					
Accounts payable and accrued liabilities	\$ 21,267	\$ 25,410	c	\$(586 )	46,091
Dividends Payable	12,062	-		-	12,062
Income taxes payable	6,371	3,733		-	10,104
Current portion of other liabilities	197	-		-	197
<b>Total Current Liabilities</b>	<b>39,897</b>	<b>29,143</b>		<b>(586 )</b>	<b>68,454</b>
<b>Non-Current Liabilities</b>					
Deferred income taxes	43,593	33,723	d	236,481	313,797
Decommissioning liability	5,906	16,507		-	22,413
Other liabilities	465	665		-	1,130
<b>Total Liabilities</b>	<b>89,861</b>	<b>80,038</b>		<b>235,895</b>	<b>405,794</b>
<b>E Q U I T Y</b>					
Share capital	388,606	\$ 287,132	b,d	195,833	871,571
Contributed surplus	22,956	21,397	b,d	(21,397 )	22,956
Accumulated other comprehensive loss	(1,970 )	(969 )	d	969	(1,970 )
Retained earnings	207,283	50,706	d	(60,872 )	197,117
<b>Total Equity</b>	<b>616,875</b>	<b>358,266</b>		<b>114,533</b>	<b>1,089,674</b>
<b>Total Liabilities and Equity</b>	<b>\$ 706,736</b>	<b>\$ 438,304</b>		<b>\$ 350,428</b>	<b>\$ 1,495,468</b>

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# ALAMOS GOLD INC.

## Unaudited Pro forma Consolidated Statement of Comprehensive Income

For the nine-month period ended September 30, 2012

(stated in thousands of United States dollars)

	Alamos Gold Inc.	Aurizon Mines Ltd.	Note Reference	Pro forma adjustments	Pro Forma consolidated
<b>OPERATING REVENUES</b>	\$222,426	\$ 166,435		\$-	\$388,861
<b>MINE OPERATING COSTS</b>					
Mining and processing	46,688	71,172		-	117,860
Royalties	11,156	-		-	11,156
Amortization	32,563	27,741	e	45,726	106,030
	90,407	98,913		45,726	235,046
<b>EARNINGS FROM MINE OPERATIONS</b>	<b>\$132,019</b>	<b>\$ 67,522</b>		<b>\$(45,726 )</b>	<b>\$153,815</b>
<b>EXPENSES</b>					
Exploration	5,040	15,811	f	(6,663 )	14,188
Corporate and administrative	9,419	9,170		-	18,589
Share-based compensation	6,758	3,700		-	10,458
	21,217	28,681		(6,663 )	43,235
<b>EARNINGS FROM OPERATIONS</b>	<b>\$110,802</b>	<b>\$ 38,841</b>		<b>\$(39,063 )</b>	<b>\$110,580</b>
<b>OTHER INCOME (EXPENSES)</b>					
Finance income	2,444	1,669		-	4,113
Financing expense	(388 )	(649 )		-	(1,037 )
Foreign exchange gain (loss)	847	(40 )		-	807
Other income (loss)	1,277	(355 )		-	922
<b>EARNINGS BEFORE INCOME TAXES FOR THE PERIOD</b>	<b>114,982</b>	<b>39,466</b>		<b>(39,063 )</b>	<b>115,385</b>
<b>INCOME TAXES</b>					
Current tax expense	(26,347 )	(20,959 )		-	(47,306 )
Deferred tax (expense) recovery	(8,585 )	3,724	e	17,833	12,972
<b>EARNINGS FOR THE PERIOD</b>	<b>80,050</b>	<b>22,231</b>		<b>(21,230 )</b>	<b>81,051</b>
Other comprehensive income (loss)					
- Unrealized (loss) gain on securities	(1,285 )	(564 )		-	(1,849 )
- Reclassification of realized (gains) losses on available-for-sale securities included in earnings	395	-		-	395
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>\$79,160</b>	<b>\$ 21,667</b>		<b>\$(21,230 )</b>	<b>\$79,597</b>
<b>EARNINGS PER SHARE</b>					
- basic	<b>\$0.67</b>				<b>\$0.55</b>
- diluted	<b>\$0.66</b>				<b>\$0.55</b>
Weighted average number of common shares outstanding					
- basic	119,548,000			27,778,828	147,326,828
- diluted	120,627,000			27,778,828	148,405,828



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# ALAMOS GOLD INC.

## Unaudited Pro forma Consolidated Statement of Comprehensive Income

For the year ended December 31, 2011

(stated in thousands of United States dollars)

	Alamos Gold Inc.	Aurizon Mines Ltd.	Note Reference	Pro forma adjustments	Pro Forma consolidated
<b>OPERATING REVENUES</b>	\$227,364	\$ 262,950		\$-	\$490,314
<b>MINE OPERATING COSTS</b>					
Mining and processing	53,868	89,806		-	143,674
Royalties	11,157	-		-	11,157
Amortization	23,423	39,369	e	75,269	138,061
	88,448	129,175		75,269	292,892
<b>EARNINGS FROM MINE OPERATIONS</b>	<b>\$138,916</b>	<b>\$ 133,775</b>		<b>\$(75,269 )</b>	<b>\$197,422</b>
<b>EXPENSES</b>					
Exploration	9,540	26,768	f	(6,068 )	30,240
Corporate and administrative	9,613	13,169		-	22,782
Share-based compensation	13,525	6,600		-	20,125
	32,678	46,537		(6,068 )	73,147
<b>EARNINGS FROM OPERATIONS</b>	<b>\$106,238</b>	<b>\$ 87,238</b>		<b>\$(69,201 )</b>	<b>\$124,275</b>
<b>OTHER INCOME (EXPENSES)</b>					
Finance income	1,717	1,555		-	3,272
Financing expense	(598 )	(931 )		-	(1,529 )
Foreign exchange (loss) gain	(3,688 )	(462 )		-	(4,150 )
Other income (loss)	(1,234 )	167		-	(1,067 )
<b>EARNINGS BEFORE INCOME TAXES FOR THE YEAR</b>	<b>102,435</b>	<b>87,567</b>		<b>(69,201 )</b>	<b>120,801</b>
<b>INCOME TAXES</b>					
Current tax expense	(34,194 )	(44,462 )		-	(78,656 )
Deferred tax expense	(8,160 )	1,325	e	29,355	22,520
<b>EARNINGS FOR THE YEAR</b>	<b>60,081</b>	<b>44,430</b>		<b>(39,846 )</b>	<b>64,665</b>
Other comprehensive income (loss)					
- Unrealized gain (loss) on securities	(1,089 )	(774 )		-	(1,863 )
- Reclassification of realized (gains) losses on available-for-sale securities included in earnings	(280 )	-		-	(280 )
- Impairment of available-for-sale securities	1,621	-		-	1,621
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>\$60,333</b>	<b>\$ 43,656</b>		<b>\$(39,846 )</b>	<b>\$64,143</b>
<b>EARNINGS PER SHARE</b>					
- basic	<b>\$0.51</b>				<b>\$0.45</b>
- diluted	<b>\$0.51</b>				<b>\$0.44</b>
Weighted average number of common shares outstanding					
- basic	117,375,000			27,778,828	145,153,828

- diluted	<u>118,669,000</u>	27,778,828	<u>146,447,828</u>
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Alamos Gold Inc.

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## **ALAMOS GOLD INC.**

### **Notes to Unaudited Pro Forma Consolidated Financial Statements**

**(Stated in United States dollars, unless otherwise indicated)**

#### **1. BASIS OF PREPARATION**

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The unaudited pro forma consolidated statement of financial position of Alamos Gold Inc. ("Alamos" or "the Company") as at September 30, 2012 and unaudited pro forma consolidated statements of comprehensive income for the nine month period ended September 30, 2012 and for the year ended December 31, 2011 have been prepared by management of Alamos for illustrative purposes only, based on financial statements which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, to show the pro forma effect of the acquisition of all of the issued and outstanding common shares of Aurizon Mines Ltd. ("Aurizon") which is more fully described in Note 3. All amounts are expressed in United States dollars ("USD") unless otherwise indicated.

These unaudited pro forma consolidated financial statements have been compiled from and include:

a) An unaudited pro forma consolidated statement of financial position combining the unaudited consolidated statement of financial position of Alamos as at September 30, 2012 and the unaudited consolidated statement of financial position of Aurizon as at September 30, 2012. The unaudited consolidated statement of financial position of Aurizon has been translated from Canadian dollars ("C\$") using a C\$:USD rate of 1.0166.

b) An unaudited pro forma consolidated statement of comprehensive income for the nine months ended September 30, 2012 combining:

- i) the unaudited consolidated statement of comprehensive income of Alamos for the nine months ended September 30, 2012; and
- ii) the unaudited consolidated statement of comprehensive income of Aurizon for the nine months ended September 30, 2012. The unaudited consolidated statement of comprehensive income of Aurizon has been translated from Canadian dollars ("C\$") using a C\$:USD rate of 0.9944

c) An unaudited pro forma consolidated statement of comprehensive income for the year ended December 31, 2011 combining:

- i) the audited consolidated statement of comprehensive income of Alamos for the year ended December 31, 2011; and
- ii) the audited consolidated statement of comprehensive income of Aurizon for the year ended December 31, 2011. The unaudited consolidated statement of comprehensive income of Aurizon has been translated from Canadian dollars ("C\$") using a C\$:USD rate of 1.0114

The unaudited pro forma consolidated statement of financial position as at September 30, 2012 has been prepared as if the transaction described in Note 3 had occurred on September 30, 2012. The unaudited pro forma consolidated statements of comprehensive income for the nine months ended September 30, 2012 and for the year ended December 31, 2011 have been prepared as if the transaction described in Note 3 had occurred on January 1, 2011.

The pro forma adjustments are based on publicly available financial information and certain estimates and assumptions. The actual adjustments to the consolidated financial statements of Alamos will depend on a number of factors. Therefore, the actual adjustments will differ from the pro forma adjustments and these differences may be material. Similarly, the calculation and allocation of the purchase price has been prepared on a preliminary basis and is subject to change between the time such preliminary estimates were made and the closing as a result of several factors which could include, among other things,

changes in fair value of the assets acquired and liabilities assumed. Management believes that such assumptions provide a reasonable basis for presenting all of the significant effects of the transactions contemplated and that the pro

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forma adjustments give appropriate effect to those assumptions and are properly applied in the pro forma consolidated financial information.

It is management's opinion that these unaudited pro forma consolidated financial statements present in all material respects, the transactions, assumptions and adjustments described in Notes 3 and 4, in accordance with IFRS. These unaudited pro forma consolidated financial statements are not intended to reflect the results of operations or the financial position of Alamos which would have actually resulted had the transaction been effected on the dates indicated. Actual amounts recorded once the transaction is completed are likely to differ from those recorded in the unaudited pro forma consolidated financial statements. Any potential synergies that may be realized and integration costs that may be incurred upon consummation of the transaction have been excluded from the unaudited pro forma consolidated financial statements. Further, the unaudited pro forma consolidated financial statements are not necessarily indicative of the results of operations that may be obtained in the future.

These unaudited pro forma consolidated financial statements should be read in conjunction with the historical consolidated financial statements and notes of Alamos and Aurizon for the year ended December 31, 2011, and the notes thereto, as well as the unaudited interim condensed consolidated financial statements of Alamos and Aurizon as at and for the nine months ended September 30, 2012

## **2. SIGNIFICANT ACCOUNTING POLICIES**

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The accounting policies used in the preparation of these unaudited pro forma consolidated financial statements are those as set out in Alamos' consolidated financial statements for the year ended December 31, 2011. In preparing the unaudited pro forma consolidated financial information a review was undertaken to identify any accounting policy differences between Alamos and Aurizon where the impact was potentially material and could be reasonably estimated. Upon review, the following differences in accounting policies were noted:

- i) Aurizon expenses certain exploration expenditures which would be capitalized under Alamos' accounting policies.
- ii) Aurizon amortizes certain assets using the declining balance method which differs from Alamos' policy of straight-line amortization.

Pro forma adjustments have been made to reflect Alamos' policies for each of the items noted above which were considered to have a material effect on the financial statements. Further accounting policy differences may be identified after completion and integration of the acquisition.

## **3. ACQUISITION ACCOUNTING**

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Alamos plans to acquire all of the issued and outstanding shares of Aurizon as stated in the Bid Circular dated January 14, 2013 (the "Circular"). Under the terms of the Circular, and provided only in the money options are exercised, each outstanding Aurizon common share would be exchanged for 0.1706 of a common share of Alamos, and C\$1.82 in cash for each outstanding share of Aurizon. For pro forma purposes, each outstanding option of Aurizon is assumed to be vested and exercised at the date of closing for cash equal to the in-the-money value of the options, therefore no replacement options of Alamos have been included in the preliminary transaction purchase price. This transaction has been accounted for as a business combination.

The unaudited pro forma consolidated financial statements assume that the cost of acquisition will comprise the fair value of Alamos shares issued, based on the issuance of 27,778,828 Alamos shares at C\$16.60 per share and cash of C\$1.82 per Aurizon share outstanding, for a total consideration of C\$780.1 million (US\$793.0 million). Alamos owned 3,000,000 common shares of Aurizon prior to the share purchase agreements entered into by Alamos as described in the Circular.

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The consideration amount for Alamos' s common shares is based on the closing share price and exchange rates on January 9, 2013. Due to the limited nature of publicly available information, Alamos has not yet determined the fair value of all of the identifiable assets and liabilities acquired. Therefore, the excess of purchase consideration over the book values of Aurizon' s assets and liabilities has been assumed to relate to mining interests with the amount in excess of Alamos' best estimate of the fair value of the mining interests assigned to goodwill. The increase in future income taxes is a result of the tax effect on the adjustment from book value to fair value of the mining interests applying Alamos' best estimate of the applicable tax rates.

The consideration for the acquisition and preliminary purchase price allocation, in accordance with IFRS 3, Business Combinations, are estimated as follows (in thousands of USD):

**Preliminary Purchase Price**

Aurizon shares owned by Alamos	\$ 14,182
27,778,828 common shares of Alamos at C\$16.60/share	468,783
Cash consideration	310,062
Total Consideration	<b>\$ 793,027</b>

**Preliminary Purchase Price Allocation**

Working capital	\$ 216,388
Other assets	5,960
Exploration and evaluation assets	18,162
Mineral property, plant and equipment	799,048
Goodwill	40,845
Deferred income taxes	(270,204 )
Non-current liabilities	(17,172 )
	<b>\$ 793,027</b>

The transaction will be accounted for as a business combination. Alamos has made a preliminary estimate that the fair value of available for sale securities, inventory and other long term assets approximate their carrying value.

Alamos has determined on a preliminary basis and using publicly available information that the fair value of mineral property, plant and equipment is approximately \$799.0 million based on the discounted value of the expected future cash flows of the operations.

The remainder of the purchase price over the estimated fair value of assets acquired and liabilities assumed of approximately \$40.8 million has been assigned to goodwill. A deferred income tax liability of approximately \$236.5 million arising from temporary differences on purchase price allocation is recognized with a corresponding increase in goodwill.

Alamos will complete a valuation of the fair value of the components of net assets acquired from Aurizon with the assistance of an independent third party valuator. Therefore it is likely that the fair values of assets and liabilities acquired will vary from those shown below and the differences may be material. The allocation of the purchase price is based upon management' s preliminary estimates and certain assumptions with respect to the fair value increment associated with the assets to be acquired and the liabilities to be assumed. The actual fair values of the assets and liabilities may differ materially from the amounts disclosed above in the assumed pro forma purchase price allocation as further analysis is completed.



## 4. PRO FORMA ADJUSTMENTS AND ASSUMPTIONS

### Pro Forma adjustments to the consolidated statement of financial position

The unaudited pro forma consolidated statement of financial position reflects the following adjustments as if the acquisition of Aurizon had occurred on September 30, 2012:

- a) A reduction of cash and cash equivalents of approximately \$10.2 million to record transaction costs incurred relating to the acquisition.
- b) It is assumed that immediately prior to the acquisition of Aurizon, all Aurizon in the money options as at the date of the Circular were exercised, increasing cash by \$11.1 million.
- c) A reduction of cash and cash equivalents of \$0.6 million related to the settlement of the accrual recognized for Aurizon's Deferred Share Units and Restricted Share Units.
- d) To record the acquisition of Aurizon at a purchase price of \$793.0 million as detailed in Note 3 above.

### Pro Forma adjustments to the consolidated statements of comprehensive income

The unaudited pro forma consolidated statements of comprehensive income reflects the following adjustments as if the transaction with Aurizon had occurred on January 1, 2011:

- e) Recognize the depreciation of the allocated excess purchase price to mineral properties, plant and equipment, based on the remaining mine life.
- f) Recognize the decrease in exploration expense resulting from differences in accounting policy with respect to exploration expenditures at Heva-Hosco.

## 5. SUPPLEMENTARY INFORMATION

	Year Ended December 31, 2011		Nine Months Ended September 30, 2012		
	Aurizon	Alamos	Aurizon	Alamos	Pro Forma
	Cdn\$/share	US\$/share	Cdn\$/share	US\$/share	US\$/share
<b>Per Share Data</b>					
Book value per share	\$1.98	\$4.55	\$2.15	\$5.16	\$7.40

	Year Ended December 31,			Nine Months Ended September 30,		
	2010	2011	Pro Forma 2011	2011	2012	Pro Forma 2012
Ratio of Earnings to Fixed Charges	\$-(1)	\$-(1)	\$-(1)	\$-(1)	\$-(1)	\$-(1)

Note:

- (1) There were no fixed charges during the reported period.



**SCHEDULE "E"**  
**CERTAIN INFORMATION REGARDING THE DIRECTORS AND**  
**EXECUTIVE OFFICERS OF ALAMOS**

Set forth in the table below is the name, province/state and country of residence, country of citizenship, current principal occupation and material occupations, positions, offices or employments held during the past five years with respect to each of the directors and executive officers of Alamos.

In the past five years, none of the persons listed below has been convicted in a criminal proceeding or been a party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining him or her from future violations of, or prohibiting activities subject to, U.S. federal or state securities laws, or a finding of any violation of U.S. federal or state securities laws.

<b>Name, Province/State, Country of Residence and Country of Citizenship</b>	<b>Principal Occupations within Previous Five Years</b>
John A. McCluskey President, Chief Executive Officer and Director <i>Ontario, Canada</i>	Chief Executive Officer and President of Alamos.
Mark Wayne Chairman, Director <i>Alberta, Canada</i>	Chief Financial Officer of Regulus Resources Inc. since December, 2010. Prior thereto, Chief Financial Officer of Antares Minerals Inc. since June 2004; Vice-President of MGI Securities Inc. since January 2005 and Chief Financial Officer of QGX Ltd., from 1994 to August 2006.
Kenneth Stowe Director <i>Ontario, Canada</i>	Director of several mining companies. Chief Executive Officer, Northgate Minerals from 2001 to July 2011.
Anthony Garson Director <i>Ontario, Canada</i>	Consultant and a director of several mining companies.
David Gower Director <i>Ontario, Canada</i>	President of Brazil Potash Corporation since 2009. Chairman of Castillian Resources Corporation since January 2010, President and CEO of Castillian Resources Corporation from December 2006 to January 2010.
Paul Murphy Director <i>Ontario, Canada</i>	Chief Financial Officer, Guyana Goldfields since April 2010. Partner and National Mining Leader, PricewaterhouseCoopers LLP from 2004 to April 2010. Partner, PricewaterhouseCoopers LLP since 1981.
James R. Porter Chief Financial Officer <i>Ontario, Canada</i>	Chief Financial Officer of Alamos from June 2011 to present; Vice-President of Finance of Alamos from July 2008 to June 2011; Controller of Alamos from October 2005 to July 2008.
Manley R. Guarducci Chief Operating Officer <i>British Columbia, Canada</i>	Vice-President and Chief Operating Officer of Alamos from May 2008 to present; Mine Manager of Alamos from April 2007 to May 2008; General Manager, San Andres Mine, Yamana Gold from December 2005 to April 2007.
Charles Tarnocai Vice-President, Exploration and Corporate Development <i>British Columbia, Canada</i>	Vice-President of Exploration and Corporate Development of Alamos from April 2008 to present; Chief Geologist of Oro Gold/Silver Resources from January 2006 to April 2008.
Matthew Howorth Vice-President, Legal <i>Ontario, Canada</i>	Vice-President, Legal of Alamos from March 2012 to present; Vice-President, General Counsel and Corporate Secretary of Northgate Minerals Corporation from July 2008 to March 2012.

Gregory Fisher Vice-President, Finance <i>Ontario, Canada</i>	Vice-President of Finance of Alamos from June 2011 to present; Controller of Alamos from April 2010 to June 2011; Senior Manager, KPMG from September 2002 to March 2010.
Han Ilhan Vice-President, Projects <i>Ankara, Turkey</i>	Vice-President of Projects of Alamos from October 2011 to present; Vice-President, URS Corporation from 1985 to September 2011.
Christine Barwell Vice-President, Human Resources <i>Ontario, Canada</i>	Vice-President of Human Resources of Alamos from April 2010 to present. Manager, International Assignments, Kinross Gold from September 2009 to April 2010. Senior Manager, Global Mobility, PricewaterhouseCoopers LLP from January 1999 to August 2009.
Jo Mira Clodman Vice-President, Investor Relations <i>Ontario, Canada</i>	Vice-President of Investor Relations of Alamos from November 2012 to present; Partner, Clodman Hecht consulting from 1991 to October 2012.

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**CONSENT OF TORYS LLP**

TO: The Board of Directors of Alamos Gold Inc.

We hereby consent to the references to our name contained under the heading “Legal Matters” and to our opinions contained under Section 19, “Principal Canadian Federal Income Tax Considerations” in the Circular accompanying the Offer dated January 14, 2013 made by Alamos Gold Inc. to the holders of common shares of Aurizon Mines Ltd.

(Signed) TORYS LLP  
Toronto, Canada

January 14, 2013

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## CONSENT OF ERNST & YOUNG LLP

We have read the Offer and Circular of Alamos Gold Inc. dated January 14, 2013 relating to the offer to purchase all of the outstanding common shares of Aurizon Mines Ltd. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned Offer and Circular of our report to the shareholders of Alamos Gold Inc. on the consolidated statements of financial position of Alamos Gold Inc. as at December 31, 2011 and 2010, and January 1, 2010 and the consolidated statements of comprehensive income, changes in equity, and cash flows for the years ended December 31, 2011 and 2010. Our report is dated February 21, 2012.

Toronto, Canada  
January 14, 2013

(Signed) ERNST & YOUNG LLP  
Chartered Accountants  
Licensed Public Accountants

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**CERTIFICATE OF ALAMOS GOLD INC.**

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

DATED: January 14, 2013

(Signed) JOHN A MCCLUSKEY  
President and Chief Executive Officer

(Signed) JAMES R. PORTER  
Chief Financial Officer

On behalf of the Board of Directors of Alamos Gold Inc.

(Signed) KENNETH STOWE  
Director

(Signed) PAUL MURPHY  
Director

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**THE DEALER MANAGER FOR THE OFFER IS:**

**DUNDEE CAPITAL MARKETS**

***In Canada:***

Dundee Securities Ltd.  
1 Adelaide Street East  
Suite 2000  
Toronto, Ontario M5C 2V9  
Tel. 416-350-3388  
Toll Free: 1-888-332-2661

***In the United States:***

Dundee Securities Inc.  
1 Adelaide Street East  
Suite 2000  
Toronto, Ontario M5C 2V9  
Tel: 416-350-3388  
Toll Free: 1-888-332-2661

**THE DEPOSITARY AND INFORMATION AGENT FOR THE OFFER IS:**



**By Mail**

The Exchange Tower  
130 King Street West, Suite 2950,  
P.O. Box 361  
Toronto, Ontario  
M5X 1E2

**By Registered Mail, Hand or by Courier**

The Exchange Tower  
130 King Street West, Suite 2950,  
Toronto, Ontario  
M5X 1E2

**North American Toll Free Phone:**

**1-866-851-3214**

E-mail: [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com)

Facsimile: 416-867-2271

Toll Free Facsimile: 1-866-545-5580

Outside North America, Banks and Brokers Call Collect: 416-867-2272



*THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED. THIS LETTER OF TRANSMITTAL IS FOR USE IN ACCEPTING THE OFFER BY ALAMOS GOLD INC. TO PURCHASE ALL OF THE OUTSTANDING COMMON SHARES OF AURIZON MINES LTD.*

## **LETTER OF TRANSMITTAL AND ELECTION FORM**

**For Deposit of Common Shares of**

**Aurizon Mines Ltd.**

**Pursuant to the Offer dated January 14, 2013 made by**

**Alamos Gold Inc.**



**ALAMOS GOLD INC.**

**THE OFFER IS OPEN FOR ACCEPTANCE UNTIL 5:00 P.M. (TORONTO TIME) ON TUESDAY, FEBRUARY 19, 2013 (THE "EXPIRY TIME"), UNLESS THE OFFER IS EXTENDED OR WITHDRAWN.**

**USE THIS LETTER OF TRANSMITTAL IF:**

- 1. YOU WISH TO ACCEPT THE OFFER AND ARE DEPOSITING CERTIFICATE(S) REPRESENTING COMMON SHARES;**
- 2. YOU ARE A U.S. SHAREHOLDER AND WISH TO ACCEPT THE OFFER USING THE PROCEDURES FOR BOOK-ENTRY TRANSFER WITH DTC (as defined herein) AND DO NOT HAVE AN AGENT'S MESSAGE; OR**
- 3. YOU PREVIOUSLY DELIVERED A NOTICE OF GUARANTEED DELIVERY.**

**CANADIAN SHAREHOLDERS WHO ACCEPT THE OFFER THROUGH A BOOK-ENTRY TRANSFER WITH CDS (as defined herein) WILL BE DEEMED TO HAVE COMPLETED AND SUBMITTED A LETTER OF TRANSMITTAL AND BE BOUND BY THE TERMS HEREOF.**

This Letter of Transmittal (or a manually executed facsimile hereof), properly completed and duly executed in accordance with the instructions set out herein, together with all other required documents, is to be used to deposit common shares ("Common Shares") of Aurizon Mines Ltd. ("Aurizon") under the offer dated January 14, 2013 (the "Offer") made by Alamos Gold Inc. (the "Offeror") to purchase, on the terms and subject to the conditions of the Offer, all of the issued and outstanding Common Shares, which includes Common Shares that may become issued and outstanding after the date of the Offer but before the Expiry Time upon the exercise, exchange or conversion of options or any other rights to acquire Common Shares ("Convertible Securities").

This Letter of Transmittal or a manually executed facsimile hereof, properly completed and duly executed in accordance with the instructions set out herein, together with all other required documents, must be received by Kingsdale Shareholder Services Inc. (the “**Depository and Information Agent**”) at the office specified on the back of this Letter of Transmittal, at or prior to the Expiry Time.

Holders of Common Shares (“**Shareholders**”) can also accept the Offer by following the procedures for book-entry transfer set forth in Section 3 of the Offer and Circular, “Manner of Acceptance – Acceptance by Book-Entry Transfer”. A Shareholder accepting the Offer by following the procedures for book-entry transfer does not need to use this Letter of Transmittal unless such Shareholder is following the procedures for book-entry transfer with The Depository Trust Company or its nominee, which at the date hereof is Cede & Co. (“**DTC**”) and does not have an accompanying Agent’s Message (as defined in the Offer and Circular dated January 14, 2013 (the “**Offer and Circular**”)). Shareholders who accept the Offer through a book-entry transfer will be deemed to have completed and submitted a Letter of Transmittal and be bound by the terms hereof.

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Accordingly, where Common Shares are deposited by book-entry transfer without delivery of an executed Letter of Transmittal, unless the context otherwise requires, references herein to the “undersigned” are to the person on whose behalf that book-entry transfer is made (notwithstanding that such person has not executed a Letter of Transmittal).

Shareholders who wish to accept the Offer but (a) whose certificate(s) representing such Common Shares are not immediately available, (b) who cannot complete the procedure for book-entry transfer of such Common Shares on a timely basis, or (c) whose certificate(s) and all other required documents cannot be delivered to the Depositary and Information Agent at or prior to the Expiry Time, must deposit their Common Shares according to the guaranteed delivery procedure set out in Section 3 of the Offer and Circular, “Manner of Acceptance – Procedure for Guaranteed Delivery” by using the accompanying Notice of Guaranteed Delivery (printed on **GREEN** paper) or a manually executed facsimile thereof. See Instruction 2 herein, “Procedure for Guaranteed Delivery”.

**The terms and conditions of the Offer are incorporated by reference into this Letter of Transmittal. The Offer and Circular contain important information and Shareholders are urged to read the Offer and Circular in its entirety. Capitalized terms used but not defined in this Letter of Transmittal which are defined in the Offer and Circular have the respective meanings ascribed thereto in the Offer and Circular.**

**All dollar references in this Letter of Transmittal refer to Canadian dollars, except where otherwise indicated.**

**The Depositary and Information Agent, Dundee Capital Markets, as Dealer Manager (the “Dealer Manager”) (the addresses and telephone numbers of which are located on the back page of this Letter of Transmittal) or your broker or other financial advisor can assist you in completing this Letter of Transmittal. Shareholders whose Common Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should immediately contact such nominee for assistance if they wish to accept the Offer in order to take the necessary steps to be able to deposit their Common Shares under the Offer.**

**YOU MUST SIGN THIS LETTER OF TRANSMITTAL IN THE APPROPRIATE SPACE PROVIDED BELOW. DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ON THE BACK PAGE WILL NOT CONSTITUTE A VALID DELIVERY TO THE DEPOSITARY AND INFORMATION AGENT.**

**IF YOU ARE A U.S. SHAREHOLDER (as defined in Block D below), YOU MUST ALSO COMPLETE ENCLOSED IRS FORM W-9 OR IRS FORM W-8, WHICHEVER IS APPLICABLE (SEE INSTRUCTION 9, “IMPORTANT TAX INFORMATION FOR U.S. SHAREHOLDERS”).**

*Please read carefully the Instructions set forth below before completing this Letter of Transmittal.*

**TO:** ALAMOS GOLD INC.

**AND TO:** KINGSDALE SHAREHOLDER SERVICES INC., as Depositary and Information Agent

Upon the terms (including the right of withdrawal) and subject to the conditions of the Offer and in this Letter of Transmittal, the undersigned hereby irrevocably accepts the Offer and deposits under the Offer the Deposited Common Shares and, effective immediately following the time when the Offeror takes up Common Shares under the Offer (the “**Effective Time**”), irrevocably sells, assigns and transfers to the Offeror all of the right, title and interest of the undersigned in and to the Deposited Common Shares. The term “**Deposited Common Shares**” refers to the Common Shares identified below as being deposited under the Offer and all other rights and benefits arising from such Common Shares including, without limitation, any and all Distributions, and the term “**Distributions**” refers to any and all dividends, distributions, payments, securities, property or other interests that may be declared, paid, accrued, issued, distributed, made or transferred on or in respect of such Common Shares or any of them on and after the date of the Offer, including, without limitation, any dividends, distributions or payments on such dividends, distributions, payments, securities, property or other interests.

**FOR SHAREHOLDERS WHOSE COMMON SHARES ARE REPRESENTED BY DIRECT REGISTRATION SYSTEM (“DRS”) ADVICE(S) ONLY:**

In order for Shareholders whose Common Shares are represented by DRS advice(s) only to receive the elected consideration, such Shareholders are required to deposit with the Depositary and Information Agent this Letter of Transmittal, properly completed and duly executed, together with all other required documents, in respect of Common Shares deposited for payment pursuant to the Offer. It is not necessary to first obtain a share certificate for the Common Shares, however a DRS statement or advice evidencing those Common Shares must accompany this Letter of Transmittal.

BOX 1			
DESCRIPTION OF COMMON SHARES DEPOSITED UNDER THE OFFER			
(Please print or type. If space is insufficient, please attach a list to this Letter of Transmittal in the form below.)			
Certificate or DRS Advice Number(s) (if available)*	Name(s) in Which Certificate(s) is (are) Registered (please print and fill in exactly as name(s) appear(s) on certificate(s) or DRS Advice*	Number of Common Shares Represented by Certificate(s) or DRS Advice*	Number of Common Shares Deposited**
<b>TOTAL:</b>			
* You do not need to complete these columns in respect of Common Shares deposited by book-entry transfer.			
** If you desire to deposit fewer than all Common Shares evidenced by any certificate(s) listed above, please indicate in this column the number of Common Shares you wish to deposit. Unless otherwise indicated, the total number of Common Shares evidenced by all certificates delivered will be deemed to have been deposited. See Instruction 7 of this Letter of Transmittal, “Partial Deposits”.			

**BOX 2**  
**ELECTION FOR CASH OR SHARES**

Under the Offer, the undersigned hereby elects to receive one of the following forms of consideration for all of the Deposited Common Shares represented by the certificate(s) listed in Box 1 above. Shareholders may elect to receive either the Cash Alternative (Choice A) OR the Share Alternative (Choice B).

**Shareholders may choose only ONE of the choices below:**

**Choice A - The CASH ALTERNATIVE**

☐ Canadian dollars

Shareholders who check this box will receive Cdn\$4.65 in cash for each Common Share deposited under this Choice A (subject to pro ration).

☐ United States dollars

I elect for the payment of cash to which I am entitled under the Offer to be made in the U.S. dollars equivalence of the Cdn\$4.65, based on the exchange rate available to the Depositary and Information Agent at its typical banking institution on the date such funds are converted (which may be the Expiry Date or any later date and may be a date other than the date the certificate(s) representing the Common Shares being exchanged are received by the Depositary and Information Agent or the date of issue of payment therefor).

Shareholders who check this box will receive US\$ equivalence of Cdn\$4.65 in cash for each Common Share deposited under this Choice A (subject to pro ration).

Unless the United States dollars box above is checked, the cash payment for the Common Shares being exchanged will be made in Canadian dollars. Shareholders electing to receive payment of the cash to which they are entitled under the Offer in U.S. dollars will be deemed to have acknowledged and agreed that any change to the currency exchange rates of the United States or Canada between the date this Letter of Transmittal is submitted and the date on which the funds are converted by the Depositary and Information Agent will be at the sole risk of the securityholder.

**IF THIS LETTER OF TRANSMITTAL IS NOT RECEIVED BY THE DEPOSITARY AND INFORMATION AGENT BY 5:00 P.M. (TORONTO TIME) ON THE EXPIRY DATE, YOU WILL BE DEEMED TO HAVE ELECTED TO RECEIVE THE CASH ALTERNATIVE IN CANADIAN DOLLARS.**

**Choice B - The SHARE ALTERNATIVE**

☐ **Choice B - The SHARE ALTERNATIVE**

Shareholders who check this box will receive 0.2801 common shares of the Offeror ("**Offeror Shares**") for each Common Share deposited under this Choice B (subject to pro ration).

Any Shareholder who fails to complete this Letter of Transmittal and Notice of Guaranteed Delivery, if applicable, electing the Cash Alternative or who does not properly elect either the Cash Alternative or the Share Alternative in this Letter of Transmittal and Notice of Guaranteed Delivery, if applicable, with respect to any Common Shares deposited by such Shareholder pursuant to the Offer will be deemed to have elected the Share Alternative. Assuming that all Shareholders tendered to either the Cash Alternative or the Share Alternative, each Shareholder would be entitled to receive \$2.04 in cash and 0.1572 of an Offeror Share for each Common Share tendered (based on 175,431,302 Common Shares issued and outstanding on a fully diluted basis), subject to adjustment for fractional shares.

No fractional Offeror Shares will be issued pursuant to the Offer. Where a Shareholder is to receive Offeror Shares as consideration under the Offer and the aggregate number of Offeror Shares to be issued to such Shareholder would result in a fraction of an Offeror Share being issuable, the number of Offeror Shares to be received by such Shareholder will be rounded down to the nearest whole Offeror Share and the amount of cash to be received by such Shareholder will be rounded down to the nearest whole cent.

**If a Shareholder delivers a Notice of Guaranteed Delivery in respect of Common Shares deposited with this Letter of Transmittal, the election (or deemed election) made in that Notice of Guaranteed Delivery as to the consideration to be**

received shall supersede any election made in this Letter of Transmittal. See Instruction 2, "Procedure for Guaranteed Delivery".

**BOX 3**  
**RESIDENCY STATUS**

By execution of this Letter of Transmittal, the undersigned hereby represents and warrants that, for the purposes of the Tax Act, the undersigned is an individual, trust or corporation which is *(please check appropriate box)*:

☐ **not** a non-resident

- OR -

☐ a non-resident

indicate country of residence: \_\_\_\_\_

*Note:* A Shareholder which is a partnership that has any non-resident partner(s) should represent and warrant above that, for the purposes of the Tax Act, it is a “non-resident”.

**BOX 4**  
**ROLLOVER OPTION FOR ELIGIBLE HOLDERS**

As described in Section 19 of the Offer and Circular, “Principal Canadian Federal Income Tax Considerations”, an Eligible Holder who elects the Rollover Option, and who receives Offeror Shares only or a combination of Offeror Shares and cash as consideration for such holder’s Common Shares, may obtain a full or partial tax deferral in respect of the disposition of Common Shares as a consequence of filing with the Canada Revenue Agency (and, where applicable, with a provincial tax authority) a joint election made by the Eligible Holder and the Offeror (the “**Tax Election**”) under subsection 85(1) or (2) of the Tax Act and the corresponding provisions of any applicable provincial tax legislation.

“**Eligible Holder**” means a Shareholder who elects (or is deemed to elect) the Share Alternative or elects the Cash Alternative but the prorating provisions of the Offer apply pursuant to the Offer and (a) who is a resident of Canada for the purposes of the Tax Act and any applicable income tax treaty or convention and who is not exempt from tax on income under the Tax Act, or (b) who is not resident in Canada for the purposes of the Tax Act and any applicable income tax treaty or convention and whose Common Shares constitute “taxable Canadian property” (as defined in the Tax Act) and are not “treaty-protected property” (as defined in the Tax Act) of the Shareholder, or (c) which is a partnership if one or more members of the partnership are described in (a) or (b);

Eligible Holders should consult their own advisors as to whether they should make the Tax Election and (if so) the procedure for doing so. **It is the Eligible Holder’s responsibility to take the steps required to make a valid Tax Election.**

**The joint Tax Election can only be made by a beneficial owner of Common Shares who is an Eligible Holder, and who receives Offeror Shares only or a combination of Offeror Shares and cash as consideration for such holder’s Deposited Common Shares. No joint Tax Election will be made with any other persons. With the exception of execution of the election by the Offeror, compliance with the requirements for a valid election will be the sole responsibility of the Eligible Holder making such election.**

Shareholders who elect the Cash Alternative and who would elect the Rollover Option if the prorating provisions of the Offer were to apply so that such Shareholder receives a combination of cash and Offeror Shares, should check the box below. However, such Shareholder will be considered an Eligible Holder only if the prorating provisions of the Offer actually apply to such Shareholder.

By checking the box below to elect the Rollover Option, the undersigned (i) represents that the beneficial owner of the Deposited Common Shares is an Eligible Holder (or would be an Eligible Holder if the prorating provisions of the Offer apply such that the beneficial owner receives a combination of cash and Offeror Shares), and (ii) acknowledges that it is the Eligible Holder’s responsibility to comply with the requirements for a valid Tax Election.

- ☐ Check here if the beneficial owner of the Deposited Common Shares listed in Box 1 (i) is an Eligible Holder (or would be an Eligible Holder if the prorating provisions of the Offer apply such that the beneficial owner receives a combination of cash and Offeror Shares) and (ii) wishes to elect the Rollover Option in order to make a joint Tax Election with the Offeror under subsection 85(1) or (2) of the Tax Act (or the corresponding provisions of any applicable provincial tax legislation). Eligible Holders who check this box and submit this Letter of Transmittal will receive a tax instruction letter setting out procedures for completing the information that must be provided no later than 60 days after the Expiry Time.



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**IN CONSIDERATION OF THE OFFER AND FOR VALUE RECEIVED**, upon the terms and subject to the conditions set forth in the Offer and in this Letter of Transmittal, subject only to the withdrawal rights set out in the Offer, the undersigned irrevocably accepts the Offer for and in respect of the Deposited Common Shares and delivers to the Offeror the enclosed Common Share certificate(s), if applicable, representing the Deposited Common Shares and, on and subject to the terms and conditions of the Offer, deposits, sells, assigns and transfers to the Offeror all right, title and interest in and to the Deposited Common Shares, and in and to all rights and benefits arising from the Deposited Common Shares and any and all Distributions.

The undersigned hereby acknowledges receipt of the Offer and Circular and acknowledges that there will be a binding agreement between the undersigned and the Offeror, effective immediately following the time at which the Offeror takes up the Common Shares deposited by the undersigned, in accordance with the terms and subject to the conditions of the Offer. The undersigned represents and warrants that:

- (a) the undersigned has full power and authority to deposit, sell, assign and transfer the Deposited Common Shares and all rights and benefits arising from such Deposited Common Shares, including, without limitation, any Distributions, to the Offeror;
- (b) the undersigned owns the Deposited Common Shares and any Distributions deposited under the Offer;
- (c) the Deposited Common Shares and Distributions have not been sold, assigned or transferred, nor has any agreement been entered into to sell, assign or transfer any of the Deposited Common Shares or Distributions (or interests therein), to any other person;
- (d) such Shareholder depositing the Common Shares (and any Distributions), or on whose behalf such Common Shares (and any Distributions) are being deposited, has good title to, and is the beneficial owner of, the Common Shares (and any Distributions) being deposited within the meaning of applicable Laws (as defined in the Offer and Circular);
- (e) the deposit of the Deposited Common Shares and Distributions complies with applicable Laws; and
- (f) when the Deposited Common Shares and Distributions are taken up and paid for by the Offeror, the Offeror will acquire good title thereto (and to any Distributions), free and clear of all security interests, liens, restrictions, charges, encumbrances, claims, adverse interests, equities and rights of other persons.

If, on or after the date of the Offer, Aurizon should divide, combine, reclassify, consolidate, convert or otherwise change any of the Common Shares or its capitalization, issue any Common Shares, or issue, grant or sell any securities convertible into Common Shares, or disclose that it has taken or intends to take any such action, then the Offeror may, in its discretion and without prejudice to its rights under Section 4 of the Offer and Circular, "Conditions of the Offer", make such adjustments as it considers appropriate to the purchase price and other terms of the Offer (including, without limitation, the type of securities offered to be purchased and the amount payable therefor) to reflect such division, combination, reclassification, consolidation, conversion, issuance, grant, sale or other change.

Common Shares and any Distributions acquired under the Offer shall be transferred by the Shareholder and acquired by the Offeror free and clear of all liens, restrictions, charges, encumbrances, claims and equities and together with all rights and benefits arising therefrom, including, without limitation, the right to any and all dividends, distributions, payments, securities, property, rights, assets or other interests which may be accrued, declared, paid, issued, distributed, made or transferred on or after the date of the Offer on or in respect of the Common Shares, whether or not separated from the Common Shares.

If, on or after the date of the Offer, Aurizon should declare, set aside or pay any dividend or declare, make or pay any other distribution or payment on or declare, allot, reserve or issue any securities, rights or other interests with respect to any Common Share, which is or are payable or distributable to Shareholders on a record date prior to the date of transfer into the name of the Offeror or its nominee or transferee on the securities register maintained by or on behalf of Aurizon in respect of Common Shares accepted for purchase under the Offer, then (and without prejudice to its rights under Section 4 of the Offer and Circular, "Conditions of the Offer"): (a) in the case of cash dividends, distributions or payments, the amount of the dividends, distributions or payments will be received and held by the depositing Shareholder for the account of the Offeror until the Offeror pays for such Common Shares, and to the extent that such dividends, distributions or payments do not exceed the purchase price per Common Share payable in cash by the Offeror pursuant to the

Offer, the purchase price per Common Share payable by the Offeror pursuant to the Offer in cash will be reduced by the amount of any such

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dividend, distribution or payment, and (b) in the case of any such cash dividend, distribution or payment that exceeds the purchase price per Common Share payable in cash by the Offeror pursuant to the Offer, or in the case of any non-cash dividend, distribution, payment, right or interest, the whole of any such dividend, distribution, payment, right or other interest will be received and held by the depositing Shareholder for the account of the Offeror and shall be required to be promptly remitted and transferred by the depositing Shareholder to the Depositary and Information Agent for the account of the Offeror, accompanied by appropriate documentation of transfer. Pending such remittance, the Offeror will be entitled to all rights and privileges as owner of any such dividend, distribution, payment, right or other interest and may withhold the entire purchase price payable by the Offeror pursuant to the Offer or deduct from the purchase price payable by the Offeror pursuant to the Offer the amount or value thereof, as determined by the Offeror in its sole discretion.

The undersigned irrevocably constitutes and appoints, effective at and after the Effective Time, each director and officer of the Offeror and any other person designated by the Offeror in writing as the true and lawful agent, attorney, attorney-in-fact and proxy of the holder of the Deposited Common Shares (which Deposited Common Shares upon being taken up are, together with any Distributions thereon, hereinafter referred to as the “**Purchased Securities**”) with respect to such Purchased Securities, with full power of substitution (such powers of attorney, being coupled with an interest, being irrevocable), in the name of and on behalf of such Shareholder:

- (a) to register or record the transfer and/or cancellation of such Purchased Securities to the extent consisting of securities on the appropriate securities registers maintained by or on behalf of Aurizon;
- (b) for so long as any such Purchased Securities are registered or recorded in the name of such Shareholder, to exercise any and all rights of such Shareholder, including, without limitation, the right to vote, to execute and deliver (provided the same is not contrary to applicable Laws), as and when requested by the Offeror, any and all instruments of proxy, authorizations, resolutions or consents in form and on terms satisfactory to the Offeror in respect of any or all Purchased Securities, to revoke any such instruments, authorizations, resolutions or consents given prior to or after the Effective Time, and to designate in any such instruments, authorizations, resolutions or consents any person or persons as the proxyholder of such Shareholder in respect of such Purchased Securities for all purposes, including, without limitation, in connection with any meeting or meetings (whether annual, special or otherwise, or any adjournments or postponements thereof, including, without limitation, any meeting to consider a Subsequent Acquisition Transaction) of holders of relevant securities of Aurizon;
- (c) to execute, endorse and negotiate, for and in the name of and on behalf of such Shareholder, any and all cheques or other instruments representing any Distributions payable to or to the order of, or endorsed in favour of, such Shareholder;
- (d) to exercise any other rights of a Shareholder with respect to such Purchased Securities; and
- (e) to execute all such further and other documents, transfers or other assurances as may be necessary or desirable in the sole judgment of the Offeror to effectively convey such Purchased Securities to the Offeror.

The undersigned revokes any and all other authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise, previously conferred or agreed to be conferred by the Shareholder at any time with respect to the Purchased Securities. The undersigned agrees that no subsequent authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise will be granted with respect to the Deposited Common Shares or any Distributions by or on behalf of the depositing Shareholder unless the Deposited Common Shares are not taken up and paid for under the Offer or are withdrawn in accordance with Section 8 of the Offer and Circular, “Withdrawal of Deposited Common Shares”.

The undersigned agrees not to vote any of the Purchased Securities taken up and paid for under the Offer at any meeting (whether annual, special or otherwise or any adjournments or postponements thereof, including, without limitation, any meeting to consider a Subsequent Acquisition Transaction) of holders of relevant securities of Aurizon and, except as may otherwise be agreed with the Offeror, not to exercise any of the other rights or privileges attached to the Purchased Securities. The undersigned agrees to execute and deliver to the Offeror any and all instruments of proxy, authorizations or consents, in form and on terms satisfactory to the Offeror, in respect of all or any of the Purchased Securities, and agrees to designate or appoint in any such instruments of proxy, authorizations or consents, the person or persons specified by the Offeror as the proxy or the proxy nominee or nominees of the holder of the Purchased Securities.

Upon such appointment, all prior proxies and other authorizations (including, without limitation, all appointments of any agent, attorney or

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attorney-in-fact) or consents given by the holder of such Purchased Securities with respect thereto shall be revoked and no subsequent proxies or other authorizations or consents may be given by such person with respect thereto.

The undersigned covenants and agrees to execute, upon request of the Offeror, any additional documents, transfers and other assurances as may be necessary or desirable to complete the sale, assignment and transfer of the Purchased Securities to the Offeror. Each authority conferred or agreed to be conferred by the undersigned in this Letter of Transmittal is, to the extent permitted by applicable Laws, irrevocable and may be exercised during any subsequent legal incapacity of the undersigned and shall, to the extent permitted by applicable Laws, survive the death or incapacity, bankruptcy or insolvency of the undersigned and all obligations of the undersigned in this Letter of Transmittal shall be binding upon the heirs, executors, administrators, attorneys, personal representatives, successors and assigns of the undersigned. Except as stated in the Offer and Circular, the deposit of Common Shares pursuant to this Letter of Transmittal is irrevocable.

The authority herein conferred, coupled with an interest, is not intended to be a continuing power of attorney within the meaning of and governed by the *Substitute Decisions Act* (Ontario), or any similar power of attorney under equivalent legislation in any of the provinces or territories of Canada (a "CPOA"). The execution of this Letter of Transmittal shall not terminate any such CPOA granted by the undersigned previously and shall not be terminated by the execution by the undersigned in the future of the CPOA, and the undersigned hereby agrees not to take any action in the future which results in the termination of the authority herein conferred.

The Depositary and Information Agent will act as the agent of persons who have deposited Common Shares in acceptance of the Offer for the purposes of receiving payment from the Offeror and transmitting such payment to such persons, and receipt of payment by the Depositary and Information Agent will be deemed to constitute receipt of payment by persons depositing Common Shares under the Offer.

**All cash amounts payable under the Offer will be paid in Canadian dollars. However, Shareholders can also elect to receive payment of the cash to which they are entitled under the Offer in U.S. dollars by checking the box set out above in Box 2, Choice A of this Letter of Transmittal, in which case each such Shareholder will have acknowledged and agreed that the exchange rate for one Canadian dollar expressed in U.S. dollars will be based on the exchange rate available to the Depositary and Information Agent at its typical banking institution on the date the funds are converted. A Shareholder electing to receive payment of the cash to which it is entitled under the Offer made in U.S. dollars will have further acknowledged and agreed that any change to the currency exchange rates of the United States or Canada will be at the sole risk of such Shareholder. The Depositary and Information Agent may receive a fee from its banking institution for referring foreign exchange transactions to it.**

Settlement with each Shareholder who has deposited (and not properly withdrawn) Common Shares under the Offer will be made by the Depositary and Information Agent issuing or causing to be issued a cheque (except for payments in excess of Cdn\$25 million, which will be made by wire transfer, as set out in this Letter of Transmittal) payable in Canadian funds and/or delivering or causing to be delivered certificates or by direct share registration (if applicable) representing Offeror Shares in the amount to which the person depositing Common Shares is entitled. Unless otherwise directed by this Letter of Transmittal, the cheque or certificates will be issued in the name and direct registration of the registered holder of the Common Shares so deposited. Unless the person depositing the Common Shares instructs the Depositary and Information Agent to hold the cheque or certificates for pick-up by checking the appropriate box in this Letter of Transmittal, the cheque or certificates will be forwarded by first class mail to such person at the address specified in this Letter of Transmittal. If no such address is specified, the cheque or certificates will be sent to the address of the registered holder as shown on the securities register maintained by or on behalf of Aurizon. Cheques or certificates mailed in accordance with this paragraph will be deemed to be delivered at the time of mailing. Pursuant to applicable Laws, the Offeror may, in certain circumstances, be required to make withholdings from the amount otherwise payable to a Shareholder. The undersigned acknowledges that the Offeror has no obligation pursuant to the instructions given below to transfer any Deposited Common Shares from the name of the registered holder thereof if the Offeror does not purchase any of the Deposited Common Shares.

Pursuant to rules of the Canadian Payments Association, a Cdn\$25 million ceiling has been established on cheques, bank drafts and other paper-based payments processed through Canada's clearing system. As a result, any payment to the undersigned in excess of Cdn\$25 million will be effected by the Depositary and Information Agent by wire transfer in accordance with the Large Value Transfer

System Rules established by the Canadian Payments Association. Accordingly, settlement with the undersigned involving a payment in excess of Cdn\$25 million will be made only in accordance with wire transfer instructions provided by the undersigned to the

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Depository and Information Agent in writing. In the event wire transfer instructions are required as set out above, the Depository and Information Agent will contact the undersigned promptly following the Expiry Time for purposes of obtaining wire transfer instructions. Any delay in payment by the Depository and Information Agent resulting from the provision by the undersigned of wire transfer instructions will not entitle the undersigned to interest or other compensation in addition to the amounts to which the undersigned is entitled pursuant to the Offer.

Any Deposited Common Shares that are not taken up and paid for by the Offeror under the Offer for any reason will be returned, at the Offeror's expense, to the depositing Shareholder as soon as practicable after the Expiry Time or withdrawal of the Offer, by either (a) sending certificates representing the Common Shares not purchased by first class mail to the address of the depositing Shareholder specified in this Letter of Transmittal or, if such name or address is not so specified, in such name and to such address as shown on the securities registers maintained by or on behalf of Aurizon, or (b) in the case of Common Shares deposited by book-entry transfer of such Common Shares pursuant to the procedures set out in Section 3 of the Offer and Circular, "Manner of Acceptance – Acceptance by Book-Entry Transfer", crediting such Common Shares to the depositing Shareholder's account maintained with CDS or DTC, as applicable.

The undersigned agrees that all questions as to validity, form, eligibility (including timely receipt) and acceptance of any Common Shares deposited pursuant to the Offer and the propriety of the completion and execution of this Letter of Transmittal and (if applicable) the Notice of Guaranteed Delivery will be determined by the Offeror in its sole discretion and that such determination will be final and binding and acknowledges that (i) the Offeror reserves the absolute right to reject any and all deposits of Common Shares that the Offeror determines not to be in proper form or that may be unlawful to accept under the laws of any jurisdiction, (ii) the Offeror reserves the absolute right to waive any defects or irregularities in the deposit of any Common Shares, (iii) there shall be no duty or obligation of the Offeror or the Depository and Information Agent or any other person to give notice of any defect or irregularity in any deposit and no liability shall be incurred by any of them for failure to give such notice, (iv) the Offeror's interpretation of the terms and conditions of the Offer and Circular, this Letter of Transmittal and (if applicable) the Notice of Guaranteed Delivery shall be final and binding, and (v) the Offeror reserves the right to permit the Offer to be accepted in a manner other than as set forth in the Offer.

The undersigned also understands and acknowledges that under no circumstances will interest accrue or any amount be paid by the Offeror or the Depository and Information Agent to any person on the purchase price of any Deposited Common Shares purchased by the Offeror, regardless of any delay in making such payment.

**Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Common Shares directly with the Depository and Information Agent, or if they make use of the services of a soliciting dealer group comprised of members of The Investment Dealers Association of Canada and members of Canadian stock exchanges, to accept the Offer.**

By reason of the use by the undersigned of an English language form of Letter of Transmittal, the undersigned shall be deemed to have required that any contract evidenced by the Offer as accepted through this Letter of Transmittal, as well as all documents related thereto, be drawn exclusively in the English language. *En raison de l'usage d'une lettre d'envoi en langue anglaise par le soussigné, le soussigné est réputé avoir requis que tout contrat attesté par l'offre et son acceptation par cette lettre d'envoi, de même que tous les documents qui s'y rapportent, soient rédigés exclusivement en langue anglaise.*

## SHAREHOLDER INFORMATION AND INSTRUCTIONS

*Before signing this Letter of Transmittal, please review carefully and complete the following boxes, as appropriate.*

### **BLOCK A REGISTRATION AND PAYMENT INSTRUCTIONS**

(See Instructions 3 and 4)

ISSUE CHEQUE/OFFEROR SHARES IN  
THE NAME OF:  
(please print or type)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Street Address and Number)

\_\_\_\_\_  
(City and Province/State)

\_\_\_\_\_  
(Country and Postal/Zip Code)

\_\_\_\_\_  
(Telephone - Business Hours)

\_\_\_\_\_  
(Tax Identification or Social Insurance or  
Social Security Number)

\_\_\_\_\_  
(E-mail Address)

### **BLOCK B DELIVERY INSTRUCTIONS**

(See Instructions 3 and 4)

SEND CHEQUE/OFFEROR SHARES  
(Unless BLOCK C is checked) TO:  
(please print or type)

☐ Same as address in Block A

or to:

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Street Address and Number)

\_\_\_\_\_  
(City and Province/State)

\_\_\_\_\_  
(Country and Postal/Zip Code)

\_\_\_\_\_  
(Telephone - Business Hours)

\_\_\_\_\_  
(Tax Identification or Social Insurance or  
Social Security Number)

\_\_\_\_\_  
(E-mail Address)

or to:

☐ DRS Account (if applicable)

### **BLOCK C SPECIAL PICK-UP INSTRUCTIONS**

- ☐ HOLD CHEQUE/OFFEROR SHARES FOR PICK-UP AT THE OFFICE OF THE DEPOSITARY AND INFORMATION AGENT WHERE THIS LETTER OF TRANSMITTAL IS DEPOSITED



**BLOCK D**  
**STATUS AS U.S. SHAREHOLDER**

**TO BE COMPLETED BY ALL SHAREHOLDERS BY SELECTING ONE BOX BELOW**

(See Instruction 9)

Indicate whether you are a U.S. Shareholder or are acting on behalf of a U.S. Shareholder:

- ☐ The person signing on Block H represents that it is not a U.S. Shareholder and is not acting on behalf of a U.S. Shareholder.
- ☐ The person signing on Block H is a U.S. Shareholder or is acting on behalf of a U.S. Shareholder.

A **“U.S. Shareholder”** is any holder of Common Shares that is either (A) providing an address in Block A or B that is located within the United States or any territory or possession thereof or (B) that is a U.S. person for U.S. federal income tax purposes. A Shareholder is a U.S. person for U.S. federal income tax purposes if the Shareholder is: (A) an individual citizen or resident alien of the United States as determined for U.S. federal income tax purposes; (B) a corporation, partnership, company or association created or organized in the United States or under the laws of the United States or any state or the District of Columbia; (C) an estate, the income of which is subject to U.S. federal income tax regardless of its source; or (D) a trust if: (i) a court within the United States is able to exercise primary jurisdiction over its administration and one or more U.S. persons have the authority to control all substantial decisions of the trust; or (ii) that has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person.

To avoid U.S. backup withholding, if you are a U.S. Shareholder or acting on behalf of a U.S. Shareholder, you must duly complete and timely return to the Depositary and Information Agent enclosed Form W-9 (see page 15 of this Letter of Transmittal) or, in certain circumstances, another withholding tax certificate. You can find more information in Instruction 9, “Important Tax Information For U.S. Shareholders”.

**BLOCK E**  
**DEPOSIT PURSUANT TO NOTICE OF GUARANTEED DELIVERY**

- ☐ CHECK HERE IF COMMON SHARES ARE BEING DEPOSITED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND INFORMATION AGENT AND COMPLETE THE FOLLOWING: (please print or type)

Name of Registered Holder: \_\_\_\_\_

Date of Execution of Notice of Guaranteed Delivery: \_\_\_\_\_

Window Ticket Number (if any): \_\_\_\_\_

Name of Institution which Guaranteed Delivery: \_\_\_\_\_

**BLOCK F**  
**BOOK-ENTRY TRANSFER**

- ☐ CHECK HERE IF COMMON SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER TO THE DEPOSITARY AND INFORMATION AGENT'S ACCOUNT AT DTC AND COMPLETE THE FOLLOWING: (please print or type)

Name of Tendering Institution:

\_\_\_\_\_

Account Number:

\_\_\_\_\_

Transaction Code Number:

\_\_\_\_\_

**BLOCK G**  
**DEALER OR BROKER SOLICITING ACCEPTANCE OF THE OFFER**  
(See Instruction 8)

The undersigned represents that the dealer or broker who solicited and obtained this deposit is:  
(please print or type)

\_\_\_\_\_  
(Firm)

\_\_\_\_\_  
(Registered Representative)

\_\_\_\_\_  
(Telephone Number)

- ☐ CHECK HERE IF LIST OF BENEFICIAL HOLDERS IS ATTACHED

**Please send any solicitation fee requests to the Depositary and Information Agent no later than 30 business days after the Expiry Date.**

**BLOCK H**  
**SHAREHOLDER SIGNATURE AND SIGNATURE GUARANTEE**

By signing below, the undersigned expressly agrees to the terms and conditions set forth above.

This Letter of Transmittal must be signed below by the registered Shareholder(s) exactly as name(s) appear(s) on the certificates representing the Deposited Common Shares, or on a security position listing or by person(s) authorized to become registrant holder(s) by certificates and documents transmitted herewith, or, pursuant to Instruction 5, by a fiduciary or authorized representative.

Dated: \_\_\_\_\_

Signature guaranteed by (if required under Instruction 4): \_\_\_\_\_

\_\_\_\_\_  
Authorized Signature of Guarantor

\_\_\_\_\_  
Signature of Shareholder or Authorized  
Representative (see Instructions 3, 4 and 5)

\_\_\_\_\_  
Name of Guarantor (please print or type)

\_\_\_\_\_  
Name of Shareholder or Authorized  
Representative (please print or type)

\_\_\_\_\_  
Address of Guarantor (please print or type)

\_\_\_\_\_  
Daytime telephone number and facsimile  
number of Shareholder or Authorized  
Representative

\_\_\_\_\_  
Tax Identification, Social Insurance or Social  
Security Number

Form **W-9**

(Rev. December 2011)

Department of the Treasury

Internal Revenue Service

# Request for Taxpayer Identification Number and Certification

**Give Form to the  
requester. Do not  
send to the IRS.**

**Print or  
type**  
See  
**Specific  
Instructions**  
on page 2.

Name (as shown on your income tax return)

Business name/disregarded entity name, if different  
from above

Check appropriate box for federal tax classification:

☐ Individual/  
sole proprietor ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/  
estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S  
corporation, P=partnership) u \_\_\_\_\_
☐ Other (see instructions) u \_\_\_\_\_
☐  
Exempt payee

Address (number, street, and apt. or suite no.)

Requester's name and address  
(optional)

City, state, and ZIP code

List account number(s) here (optional)

## Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

### Social security number

			-			-					
--	--	--	---	--	--	---	--	--	--	--	--

### Employer identification number

--	--	--	--	--	--	--	--	--	--	--	--	--

## Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

<b>Sign Here</b>	<b>Signature of U.S. person</b> u	<b>Date</b> u
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## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

### Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,
- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

**Nonresident alien who becomes a resident alien.** Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a “saving clause.” Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

**Example.** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

## Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

## Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

## Specific Instructions

### Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

**Sole proprietor.** Enter your individual name as shown on your income tax return on the “Name” line. You may enter your business, trade, or “doing business as (DBA)” name on the “Business name/disregarded entity name” line.

**Partnership, C Corporation, or S Corporation.** Enter the entity’s name on the “Name” line and any business, trade, or “doing business as (DBA) name” on the “Business name/disregarded entity name” line.

**Disregarded entity.** Enter the owner’s name on the “Name” line. The name of the entity entered on the “Name” line should never be a disregarded entity. The name on the “Name” line must be the name shown on the income tax return on which the income will be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a domestic owner, the domestic owner’s name is required to be provided on the “Name” line. If the

payments. This is called “backup withholding.” Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity’s name on the “Business name/disregarded entity name” line. If the owner of the disregarded entity is a foreign person, you must complete an appropriate Form W-8.

**Note.** Check the appropriate box for the federal tax classification of the person whose name is entered on the “Name” line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

**Limited Liability Company (LLC).** If the person identified on the “Name” line is an LLC, check the “Limited liability company” box only and enter the appropriate code for the tax classification in the space provided. If you are an LLC that is treated as a partnership for federal tax purposes, enter “P” for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter “C” for C corporation or “S” for S corporation. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the “Name” line) is another LLC that is not disregarded for federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the “Name” line.

**Other entities.** Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/disregarded entity name" line.

## Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the "Business name/ disregarded entity name," sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

**Note.** If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
2. The United States or any of its agencies or instrumentalities,
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,
7. A foreign central bank of issue,
8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
9. A futures commission merchant registered with the Commodity Futures Trading Commission,
10. A real estate investment trust,
11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
12. A common trust fund operated by a bank under section 584(a),
13. A financial institution,
14. A middleman known in the investment community as a nominee or custodian, or
15. A trust exempt from tax under section 664 or described in section 4947.

## Part I. Taxpayer Identification Number (TIN)

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

**Note.** See the chart on page 4 for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at [www.ssa.gov](http://www.ssa.gov). You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at [www.irs.gov/businesses](http://www.irs.gov/businesses) and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting [IRS.gov](http://IRS.gov) or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note.** Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

## Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, below, and items 4 and 5 on page 4 indicate otherwise.



The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for. . .	THEN the payment is exempt for. . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 5 and 7 through 13. Also, C corporations.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 <sup>1</sup>	Generally, exempt payees 1 through 7 <sup>2</sup>

<sup>1</sup> See Form 1099-MISC, Miscellaneous Income, and its instructions.

<sup>2</sup> However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. *Exempt payees*, see Exempt Payee on page 3.

**Signature requirements.** Complete the certification as indicated in items 1 through 3, below, and items 4 and 5 on page 4.

**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

### What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account <sup>1</sup>
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor <sup>2</sup>
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee <sup>1</sup>
b. So-called trust account that is not a legal or valid trust under state law	The actual owner <sup>1</sup>
5. Sole proprietorship or disregarded entity owned by an individual	The owner <sup>3</sup>
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity <sup>4</sup>
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public	The public entity

**Note.** If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

### Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

Protect your SSN,

Ensure your employer is protecting your SSN, and

Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

### Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to [phishing@irs.gov](mailto:phishing@irs.gov). You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: [spam@uce.gov](mailto:spam@uce.gov) or contact them at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft) or 1-877-IDTHEFT (1-877-438-4338).

Visit [IRS.gov](http://IRS.gov) to learn more about identity theft and how to reduce your risk.

entity (such as a state or local government, school district, or prison) that receives agricultural program payments	
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

## Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

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- <sup>1</sup> List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.
- <sup>2</sup> Circle the minor's name and furnish the minor's SSN.
- <sup>3</sup> You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.
- <sup>4</sup> List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

**\*Note.** Grantor also must provide a Form W-9 to trustee of trust.

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## INSTRUCTIONS

### 1. Use of Letter of Transmittal

- (a) This Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed, with the signature(s) guaranteed if required by Instruction 4 below, together with accompanying certificate(s) representing the Deposited Common Shares (or, alternatively, confirmation of a book-entry transfer of a Shareholder's Common Shares into the Depository and Information Agent's account at CDS or DTC, as applicable ("**Book-Entry Confirmation**"), with respect thereto) and all other documents required by the terms of the Offer and this Letter of Transmittal must be physically received by the Depository and Information Agent at its offices specified on the back page of this Letter of Transmittal at or prior to 5:00 p.m. (Toronto time) on February 19, 2013, the Expiry Time, unless the Offer is extended or withdrawn or unless the procedure for guaranteed delivery set out in Instruction 2 below is used.
- (b) The method used to deliver this Letter of Transmittal, any accompanying certificate(s) representing Deposited Common Shares (or any Book-Entry Confirmation, as applicable), and all other required documents is at the option and risk of the Shareholder depositing these documents and delivery will be deemed effective only when such documents are actually received by the Depository and Information Agent at its offices specified on the back page hereof. The Offeror recommends that the necessary documentation be delivered by hand to the Depository and Information Agent and that a receipt be obtained or, if mailed, that registered mail, with return receipt requested, be used and that proper insurance be obtained. It is suggested that any such mailing be made sufficiently in advance of the Expiry Time to permit delivery to the Depository and Information Agent at or prior to the Expiry Time. Delivery will only be effective upon physical receipt by the Depository and Information Agent at its offices specified on the back page hereof.

**Persons whose Common Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should contact such nominee for assistance if they wish to accept the Offer in order to take the necessary steps to be able to deposit such Common Shares under the Offer. Intermediaries likely have established tendering cut-off times that are up to 48 hours prior to the Expiry Time. Shareholders must instruct their brokers or other intermediaries promptly if they wish to tender.**

### 2. Procedure for Guaranteed Delivery

If a Shareholder wishes to deposit Common Shares under the Offer but (a) the certificate(s) representing such Common Shares is (are) not immediately available, (b) the Shareholder cannot complete the procedure for book-entry transfer of such Common Shares on a timely basis, or (c) the certificate(s) and all other required documents cannot be delivered to the Depository and Information Agent at or prior to the Expiry Time, such Common Shares may nevertheless be deposited validly under the Offer provided that all of the following conditions are met:

- (a) the deposit is made by or through an Eligible Institution (as defined below);
- (b) a Notice of Guaranteed Delivery (printed on **GREEN** paper) in the form accompanying the Offer, or a manually executed facsimile thereof, properly completed and duly executed, including a guarantee of delivery by an Eligible Institution in the form set out in the Notice of Guaranteed Delivery, is received by the Depository and Information Agent at its office in Toronto, Ontario specified in the Notice of Guaranteed Delivery at or prior to the Expiry Time; and
- (c) the certificate(s) representing all Deposited Common Shares, in proper form for transfer, together with this Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed with the signature(s) guaranteed if required by Instruction 4 below, and all other documents required by the terms of the Offer and this Letter of Transmittal (or, in the case of a book-entry transfer, a Book-Entry Confirmation with respect to the Deposited Common Shares and, in the case of DTC accounts, a Letter of Transmittal or a manually signed facsimile thereof, properly completed and duly executed, together with any required signature guarantees, or an Agent's Message in lieu of a Letter of Transmittal), are physically received by the Depository and Information Agent at its office specified in this Letter of Transmittal at or prior to 5:00 p.m. (Toronto time) on the third trading day on the Toronto Stock Exchange (the "**TSX**") after the Expiry Time.

The Notice of Guaranteed Delivery must be delivered by hand or courier or transmitted by facsimile or mailed to the Depositary and Information Agent at its office in Toronto, Ontario specified in the Notice of Guaranteed Delivery at or prior to the Expiry Time and must include a guarantee by an Eligible Institution in the

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form set out in the Notice of Guaranteed Delivery. **Delivery of the Notice of Guaranteed Delivery and this Letter of Transmittal and accompanying certificate(s) representing Common Shares and all other required documents to an address or transmission by facsimile to facsimile number other than those specified in the Notice of Guaranteed Delivery does not constitute delivery for purposes of satisfying a guaranteed delivery.**

An “**Eligible Institution**” means a Canadian Schedule I chartered bank, a major trust company in Canada, a commercial bank or trust company in the United States, a member of the Securities Transfer Agents Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP), acceptable to the Depositary and Information Agent; Members of these programs are usually members of a recognized stock exchange in Canada and/or the United States, members of the Investment Dealers Association of Canada, members of the Financial Industry Regulatory Authority, Inc. or banks or trust companies in Canada or the United States.

### **3. Signatures**

This Letter of Transmittal must be completed and executed by the Shareholder accepting the Offer described above or by such Shareholder’s duly authorized representative (in accordance with Instruction 5).

- (a) If this Letter of Transmittal is signed by the registered holder(s) of the accompanying certificate(s) representing the Deposited Common Shares, such signature(s) on this Letter of Transmittal must correspond exactly with the name(s) as registered or, if applicable, as written on the face of such certificate(s) representing the Deposited Common Shares, in either case, without any change whatsoever, and any such certificate(s) need not be endorsed. If any Deposited Common Shares are owned of record by two or more joint holders, all such holders must sign this Letter of Transmittal.
- (b) If this Letter of Transmittal is executed by a person other than the registered holder(s) of the Deposited Common Shares, or if the Offeror Shares and/or cheque(s) is (are) to be issued or delivered to a person other than the registered holder(s), or if the certificate(s) representing Common Shares in respect of which the Offer is not being accepted is (are) to be returned to a person other than such registered holder(s) or sent to an address other than the address of the registered holder(s) shown on the securities register maintained by or on behalf of Aurizon:
  - (i) the accompanying certificate(s) must be endorsed or be accompanied by an appropriate share transfer power of attorney, in either case, duly and properly completed by the registered holder(s);
  - (ii) the signature(s) on the endorsement panel or share transfer power of attorney must correspond exactly to the name(s) of the registered holder(s) as registered or as appearing on the face of the certificate(s); and
  - (iii) such signature(s) must be guaranteed by an Eligible Institution, or in some other manner satisfactory to the Depositary and Information Agent (except that no guarantee is required if the signature is that of an Eligible Institution).

### **4. Guarantee of Signatures**

If this Letter of Transmittal is executed by a person other than the registered holder(s) of the Deposited Common Shares, or in the circumstances set out in Instruction 3(b), such signatures must be guaranteed by an Eligible Institution, or in some other manner satisfactory to the Depositary and Information Agent (except that no guarantee is required if the signature is that of an Eligible Institution).

### **5. Fiduciaries, Representatives and Authorizations**

Where this Letter of Transmittal or any share certificate or share transfer power of attorney is executed by a person acting as an executor, administrator, trustee, guardian, or on behalf of a corporation, partnership or association or is executed by any other person acting in a representative or fiduciary capacity, such person should so indicate when signing and this Letter of Transmittal must be accompanied by satisfactory evidence of such person’s authority to act. Either of the Offeror or the Depositary and Information Agent, at its sole discretion, may require additional evidence of authority or additional documentation.

### **6. Delivery Instructions**

If any cheque(s) or certificate(s) representing Offeror Shares is (are) to be sent to or, in respect of partial deposits of Common Shares, certificates representing Common Shares are to be returned to, someone at an address other than the address of the Shareholder as it appears in Block A on this Letter of Transmittal, entitled

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“Payment Instructions”, then Block B on this Letter of Transmittal, entitled “Delivery Instructions”, should be completed. If Block B is not completed, any cheque(s) or certificates representing Offeror Shares will be mailed to the depositing Shareholder at the address of such Shareholder as it appears in Block A or, if no address is provided in Block A, then they will be mailed to the address of such Shareholder as it appears on the securities register maintained by or on behalf of Aurizon. Any cheque(s) or certificates representing Offeror Shares mailed in accordance with the terms of the Offer and this Letter of Transmittal will be deemed to be delivered at the time of mailing.

## **7. Partial Deposits**

If less than the total number of Common Shares evidenced by any certificate(s) submitted is to be deposited, fill in the number of Common Shares to be deposited in the appropriate space in Box 1, entitled “Description of Common Shares Deposited Under the Offer” on this Letter of Transmittal. In such case, new certificate(s) for the number of Common Shares not deposited will be sent to the registered holder unless otherwise provided as soon as practicable after the Expiry Time. The total number of Common Shares evidenced by all certificates delivered will be deemed to have been deposited unless otherwise indicated. Note that this Instruction is not applicable to Shareholders who deposit their Common Shares by book-entry transfer.

## **8. Solicitation**

Identify the investment dealer or broker, if any, who solicited acceptance of the Offer by completing Block G on this Letter of Transmittal, entitled “Dealer or Broker Soliciting Acceptance of the Offer”. If this deposit represents more than one beneficial holder, all beneficial holder information must be provided on a list that must accompany the deposit.

## **9. Important Tax Information for U.S. Shareholders**

**To ensure compliance with Internal Revenue Service (“IRS”) Circular 230, Shareholders are hereby notified that: (a) any discussion of U.S. federal tax issues contained or referred to in this Letter of Transmittal or any document referred to herein is not intended or written to be used, and cannot be used, by Shareholders for the purpose of avoiding penalties that may be imposed on them under the United States Internal Revenue Code of 1986, as amended; (b) such discussion is written for use in connection with the promotion or marketing of the transactions or matters addressed herein; and (c) Shareholders should seek advice based on their particular circumstances from their own tax advisor.**

U.S. federal income tax law requires a U.S. Shareholder (as defined above in Block D) who receives cash payments pursuant to the purchase of his, her or its Common Shares by the Offeror pursuant to the Offer to provide the Depositary and Information Agent with his, her or its correct Taxpayer Identification Number (“**TIN**”), which, in the case of a U.S. Shareholder who is an individual, is generally the individual’s social security number. If the Depositary and Information Agent is not provided with the correct TIN or an adequate basis for an exemption, as the case may be, such U.S. Shareholder may be subject to penalties imposed by the IRS and backup withholding.

In general, to prevent backup withholding, each U.S. Shareholder that is a U.S. person (as defined above in Block D) must provide the Depositary and Information Agent with his, her or its correct TIN by duly completing the enclosed IRS Form W-9 in accordance with the instructions attached thereto (the “**W-9 Guidelines**”), which requires such U.S. Shareholder to certify under penalty of perjury: (a) that the TIN provided is correct (or that such U.S. Shareholder is awaiting a TIN); (b) that (i) the U.S. Shareholder is exempt from backup withholding; (ii) the U.S. Shareholder has not been notified by the IRS that it is subject to backup withholding as a result of a failure to report all interest or dividends; or (iii) the IRS has notified the U.S. Shareholder that it is no longer subject to backup withholding; and (c) that the U.S. Shareholder is a U.S. person (as defined below).

Generally, certain exempt holders are not subject to backup withholding. To prevent possible erroneous backup withholding, an exempt holder must enter his, her or its correct TIN in Part I of the enclosed IRS Form W-9, check the box “Exempt payee” in Part 1 of such IRS Form W-9, and sign and date the form. For more details, see the W-9 Guidelines.

If a U.S. Shareholder does not have a TIN, such U.S. Shareholder should: (a) consult the W-9 Guidelines for instructions as to how to apply for a TIN; (b) write “Applied For” in the space for the TIN in Part I of the enclosed IRS Form W-9; and (c) sign and date the enclosed IRS Form W-9. The Depositary and Information Agent may withhold on all payments made prior to the time a properly certified



TIN is provided to it. A U.S. Shareholder who writes “Applied For” in Part I of the enclosed IRS Form W-9 should furnish the Depositary and

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Information Agent with such U.S. Shareholder's TIN as soon as it is received. In such case, the Depositary and Information Agent will withhold on any payment made to such U.S. Shareholder prior to the time a properly certified TIN is provided to the Depositary and Information Agent.

If the enclosed IRS Form W-9 is not applicable to a U.S. Shareholder because such U.S. Shareholder is not a U.S. person for United States federal tax purposes, such U.S. Shareholder will instead need to submit an appropriate and properly completed IRS Form W-8, signed under penalty of perjury, to avoid backup withholding. An appropriate IRS Form W-8 may be obtained from the Depositary and Information Agent. Such forms are also available on the IRS website at [www.irs.gov](http://www.irs.gov).

Backup withholding is not an additional U.S. federal income tax. Rather, any amounts withheld under the backup withholding rules will be allowed as a refund or credit against such U.S. Shareholder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

**A U.S. SHAREHOLDER WHO FAILS TO PROPERLY COMPLETE AND TIMELY SUBMIT THE ENCLOSED IRS FORM W-9 OR, WHERE APPLICABLE, THE APPROPRIATE IRS FORM W-8, MAY BE SUBJECT TO BACKUP WITHHOLDING ON ANY CASH PAYMENT MADE TO SUCH U.S. SHAREHOLDER PURSUANT TO THE OFFER AND MAY BE SUBJECT TO PENALTIES.**

**SHAREHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO (A) THE APPLICABILITY OF THE BACKUP WITHHOLDING AND INFORMATION REPORTING REQUIREMENTS TO THEM AND (B) THE PROPER COMPLETION OF ENCLOSED IRS FORM W-9 OR THE APPROPRIATE IRS FORM W-8.**

#### **10. Currency of Payment**

All cash amounts payable under the Offer will be paid in Canadian dollars. However, Shareholders can also elect to receive payment of the cash to which they are entitled under the Offer in U.S. dollars by checking the box set out above in Box 2, Choice A of this Letter of Transmittal, in which case each such Shareholder will have acknowledged and agreed that the exchange rate for one Canadian dollar expressed in U.S. dollars will be based on the exchange rate available to the Depositary and Information Agent at its typical banking institution on the date the funds are converted. A Shareholder electing to receive payment of the cash to which it is entitled under the Offer made in U.S. dollars will have further acknowledged and agreed that any change to the currency exchange rates of the United States or Canada will be at the sole risk of such Shareholder. The Depositary and Information Agent may receive a fee from its banking institution for referring foreign exchange transactions to it.

#### **11. Miscellaneous**

- (a) If the space in Box 1 of this Letter of Transmittal is insufficient to list all certificates for Deposited Common Shares, additional certificate numbers and number of Deposited Common Shares may be included on a separate signed list affixed to this Letter of Transmittal.
- (b) If Deposited Common Shares are registered in different forms (e.g. "John Doe" and "J. Doe"), a separate Letter of Transmittal should be signed for each different registration.
- (c) No alternative, conditional or contingent deposits will be accepted and no fractional Common Shares will be purchased. All depositing Shareholders, by execution of this Letter of Transmittal (or manually signed facsimile thereof), waive any right to receive any notice of the acceptance of Deposited Common Shares for payment, except as required by applicable Laws.
- (d) The Offer and all contracts resulting from acceptance thereof shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each party to any agreement resulting from the acceptance of the Offer unconditionally and irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Ontario and all courts competent to hear appeals therefrom.
- (e) The Offeror will not pay any fees or commissions to any stockbroker, dealer or other person for soliciting deposits of Common Shares under the Offer, other than to members of the soliciting dealer group and the Depositary and Information Agent, except as otherwise set out in the accompanying Offer and Circular.

- (f) Before completing this Letter of Transmittal, you are urged to read the accompanying Offer and Circular.

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- (g) All questions as to the validity, form, eligibility (including, without limitation, timely receipt) and acceptance of any Common Shares deposited under the Offer will be determined by the Offeror in its sole discretion. Depositing Shareholders agree that such determination will be final and binding. The Offeror reserves the absolute right to reject any and all deposits that it determines not to be in proper form or that may be unlawful to accept under the laws of any jurisdiction. The Offeror reserves the absolute right to waive any defects or irregularities in the deposit of any Common Shares. **There shall be no duty or obligation of the Offeror, the Depositary and Information Agent and the Dealer Manager or any other person to give notice of any defects or irregularities in any deposit and no liability shall be incurred or suffered by any of them for failure to give any such notice. The Offeror's interpretation of the terms and conditions of the Offer and Circular, this Letter of Transmittal, the Notice of Guaranteed Delivery and any other related documents will be final and binding.** The Offeror reserves the right to permit the Offer to be accepted in a manner other than that set out in the Offer and Circular.
- (h) Additional copies of the Offer and Circular, this Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained without charge on request from the Depositary and Information Agent or the Dealer Manager at their respective addresses specified in this Letter of Transmittal.

## 12. Lost Certificates

If a certificate representing Common Shares has been lost or destroyed, this Letter of Transmittal should be completed as fully as possible and forwarded, together with a letter describing the loss and providing your telephone number, to the Depositary and Information Agent at its office specified in this Letter of Transmittal. The Depositary and Information Agent will forward such letter to Aurizon's registrar and transfer agent so that the registrar and transfer agent may provide replacement instructions. If a certificate representing Common Shares has been lost, destroyed, mutilated or mislaid, the foregoing action must be taken sufficiently in advance of the Expiry Time in order to obtain a replacement certificate in sufficient time to permit the Common Shares represented by the replacement certificate to be deposited under the Offer prior to the Expiry Time.

## 13. Privacy Notice

The Depositary and Information Agent is committed to protecting your personal information. In the course of providing services to you and its corporate clients, the Depositary and Information Agent receives non-public personal information about you from transactions performed by the Depositary and Information Agent for you, forms you send to the Depositary and Information Agent, other communications the Depositary and Information Agent has with you or your representatives, etc. This information could include your name, address, social insurance number, securities holdings and other financial information. The Depositary and Information Agent uses this to administer your account, to better serve your and its clients' needs and for other lawful purposes relating to its services. Some of your information may be transferred to servicers in the U.S. for data processing and/or storage. The Depositary and Information Agent will use the information you are providing in order to process your request and will treat your signature(s) as your consent to us so doing.

## 14. Assistance

**Questions or requests for assistance in accepting the Offer, completing this Letter of Transmittal and depositing the Common Shares with the Depositary and Information Agent may be directed to the Depositary and Information Agent or the Dealer Manager. Their contact details are provided at the end of this document. Shareholders may also contact their brokers, dealers, commercial banks, trust companies or other nominees for assistance concerning the Offer.**

# Instructions for the Requester of Form W-9 (Rev. January 2011) Request for Taxpayer Identification Number and Certification

Section references are to the Internal Revenue Code unless otherwise noted.

## What's New

**New checkboxes.** Generally, for any sale of a covered security acquired by an S corporation (other than a financial institution) after December 31, 2011, brokers will be required to report gross proceeds and basis information to S corporations and may not treat them as exempt recipients. New tax classification checkboxes have been added for S corporation and Trust/estate. The Form W-9 is revised to allow S corporations sufficient time to provide new certifications to brokers indicating their non-exempt status. Also, disregarded entity was removed as a tax classification for limited liability companies.

## Reminders

The backup withholding rate is 28% for reportable payments.

The IRS website offers TIN Matching e-services for certain payers to validate name and TIN combinations. See Taxpayer Identification Number (TIN) Matching on page 4.

## How Do I Know When To Use Form W-9?

Use Form W-9 to request the taxpayer identification number (TIN) of a U.S. person (including a resident alien) and to request certain certifications and claims for exemption. (See Purpose of Form on Form W-9.) Withholding agents may require signed Forms W-9 from U.S. exempt recipients to overcome any presumptions of foreign status. For federal purposes, a U.S. person includes but is not limited to:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- Any estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

A partnership may require a signed Form W-9 from its U.S. partners to overcome any presumptions of foreign status and to

Also, a nonresident alien individual may, under certain circumstances, claim treaty benefits on scholarships and fellowship grant income. See Pub. 515 or Pub. 519, U.S. Tax Guide for Aliens, for more information.

## Electronic Submission of Forms W-9

Requesters may establish a system for payees and payees' agents to submit Forms W-9 electronically, including by fax. A requester is anyone required to file an information return. A payee is anyone required to provide a taxpayer identification number (TIN) to the requester.

**Payee's agent.** A payee's agent can be an investment advisor (corporation, partnership, or individual) or an introducing broker. An investment advisor must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisers Act of 1940. The introducing broker is a broker-dealer that is regulated by the SEC and the National Association of Securities Dealers, Inc., and that is not a payer. Except for a broker who acts as a payee's agent for "readily tradable instruments," the advisor or broker must show in writing to the payer that the payee authorized the advisor or broker to transmit the Form W-9 to the payer.

**Electronic system.** Generally, the electronic system must:

Ensure the information received is the information sent, and document all occasions of user access that result in the submission;

Make reasonably certain that the person accessing the system and submitting the form is the person identified on Form W-9, the investment advisor, or the introducing broker;

Provide the same information as the paper Form W-9;

Be able to supply a hard copy of the electronic Form W-9 if the Internal Revenue Service requests it; and

Require as the final entry in the submission an electronic signature by the payee whose name is on Form W-9 that authenticates and verifies the submission. The electronic signature must be under penalties of perjury and the perjury statement must contain the language of the paper Form W-9.

avoid withholding on the partner' s allocable share of the partnership' s effectively connected income. For more information, see Regulations section 1.1446-1.

Advise foreign persons to use the appropriate Form W-8. See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, for more information and a list of the W-8 forms.

Cat. No. 20479P



For Forms W-9 that are not required to be signed, the electronic system need not provide for an electronic signature or a perjury statement.

For more details, see the following.

Announcement 98-27, which is on page 30 of Internal Revenue Bulletin 1998-15 at [www.irs.gov/pub/irs-irbs/irb98-15.pdf](http://www.irs.gov/pub/irs-irbs/irb98-15.pdf).

Announcement 2001-91, which is on page 221 of Internal Revenue Bulletin 2001-36 at [www.irs.gov/pub/irs-irbs/irb01-36.pdf](http://www.irs.gov/pub/irs-irbs/irb01-36.pdf).

## Individual Taxpayer Identification Number (ITIN)

Form W-9 (or an acceptable substitute) is used by persons required to file information returns with the IRS to get the payee's (or other person's) correct name and TIN. For individuals, the TIN is generally a social security number (SSN).

However, in some cases, individuals who become U.S. resident aliens for tax purposes are not eligible to obtain an SSN. This includes certain resident aliens who must receive information returns but who cannot obtain an SSN.

These individuals must apply for an ITIN on Form W-7, Application for IRS Individual Taxpayer Identification Number, unless they have an application pending for an SSN. Individuals who have an ITIN must provide it on Form W-9.

## Substitute Form W-9

You may develop and use your own Form W-9 (a substitute Form W-9) if its content is substantially similar to the official IRS Form W-9 and it satisfies certain certification requirements.

You may incorporate a substitute Form W-9 into other business forms you customarily use, such as account signature cards. However, the certifications on the substitute Form W-9 must clearly state (as shown on the official Form W-9) that under penalties of perjury:

1. The payee's TIN is correct,
2. The payee is not subject to backup withholding due to failure to report interest and dividend income, and
3. The payee is a U.S. person.

You may not:

1. Use a substitute Form W-9 that requires the payee, by signing, to agree to provisions unrelated to the required certifications, or
2. Imply that a payee may be subject to backup withholding unless the payee agrees to provisions on the substitute form that are unrelated to the required certifications.

A substitute Form W-9 that contains a separate signature line just for the certifications satisfies the requirement that the certifications be clearly stated.

If a single signature line is used for the required certifications and other provisions, the certifications must be highlighted, boxed, printed in bold-face type, or presented in some other manner that causes the language to stand out from all other information contained on the substitute form. Additionally, the following statement must be presented to stand out in the

below" with "defined in the instructions" in item 3 of the Certification on Form W-9 when the instructions will not be provided to the payee except upon request. For more information, see Rev. Proc. 83-89, 1983-2 C.B. 613; amplified by Rev. Proc. 96-26, which is on page 22 of Internal Revenue Bulletin 1996-8 at [www.irs.gov/pub/irs-irbs/irb96-08.pdf](http://www.irs.gov/pub/irs-irbs/irb96-08.pdf).

## TIN Applied for

For interest and dividend payments and certain payments with respect to readily tradable instruments, the payee may return a properly completed, signed Form W-9 to you with "Applied For" written in Part I. This is an "awaiting-TIN" certificate. The payee has 60 calendar days, from the date you receive this certificate, to provide a TIN. If you do not receive the payee's TIN at that time, you must begin backup withholding on payments.

**Reserve rule.** You must backup withhold on any reportable payments made during the 60-day period if a payee withdraws more than \$500 at one time, unless the payee reserves an amount equal to the current year's backup withholding rate on all reportable payments made to the account.

**Alternative rule.** You may also elect to backup withhold during this 60-day period, after a 7-day grace period, under one of the two alternative rules discussed below.

**Option 1.** Backup withhold on any reportable payments if the payee makes a withdrawal from the account after the close of 7 business days after you receive the awaiting-TIN certificate. Treat as reportable payments all cash withdrawals in an amount up to the reportable payments made from the day after you receive the awaiting-TIN certificate to the day of withdrawal.

**Option 2.** Backup withhold on any reportable payments made to the payee's account, regardless of whether the payee makes any withdrawals, beginning no later than 7 business days after you receive the awaiting-TIN certificate.



The 60-day exemption from backup withholding does not apply to any payment other than interest, dividends, and certain payments relating to readily tradable instruments. Any other reportable payment, such as nonemployee compensation, is subject to backup withholding immediately, even if the payee has applied for and is awaiting a TIN.

Even if the payee gives you an awaiting-TIN certificate, you must backup withhold on reportable interest and dividend

same manner as described above and must appear immediately above the single signature line:

“The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.”

If you use a substitute form, you are required to provide the Form W-9 instructions to the payee only if he or she requests them. However, if the IRS has notified the payee that backup withholding applies, then you must instruct the payee to strike out the language in the certification that relates to underreporting. This instruction can be given orally or in writing. See item 2 of the Certification on Form W-9. You can replace “defined

payments if the payee does not certify, under penalties of perjury, that the payee is not subject to backup withholding.

If you do not collect backup withholding from affected payees as required, you may become liable for any uncollected amount.

## **Payees Exempt From Backup Withholding**

Even if the payee does not provide a TIN in the manner required, you are not required to backup withhold on any payments you make if the payee is:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2);

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2. The United States or any of its agencies or instrumentalities;
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions, agencies, or instrumentalities;
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities; or
5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation;
7. A foreign central bank of issue;
8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States;
9. A futures commission merchant registered with the Commodity Futures Trading Commission;
10. A real estate investment trust;
11. An entity registered at all times during the tax year under the Investment Company Act of 1940;
12. A common trust fund operated by a bank under section 584(a);
13. A financial institution;
14. A middleman known in the investment community as a nominee or custodian; or
15. A trust exempt from tax under section 664 or described in section 4947.

The following types of payments are exempt from backup withholding as indicated for items 1 through 15 above.

**Interest and dividend payments.** All listed payees are exempt except the payee in item 9.

**Broker transactions.** All payees listed in items 1 through 5 and 7 through 13 are exempt. Also, C corporations are exempt. A person registered under the Investment Advisers Act of 1940 who regularly acts as a broker is also exempt.

**Barter exchange transactions and patronage dividends.** Only payees listed in items 1 through 5 are exempt.

**Payments reportable under sections 6041 and 6041A.** Only payees listed in items 1 through 7 are generally exempt.

However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on

## Dividends and patronage dividends

Payments to nonresident aliens subject to withholding under section 1441.

Payments to partnerships not engaged in a trade or business in the United States and that have at least one nonresident alien partner.

Payments of patronage dividends not paid in money.

Payments made by certain foreign organizations.

Section 404(k) distributions made by an ESOP.

## Interest payments

Payments of interest on obligations issued by individuals. However, if you pay \$600 or more of interest in the course of your trade or business to a payee, you must report the payment. Backup withholding applies to the reportable payment if the payee has not provided a TIN or has provided an incorrect TIN.

Payments described in section 6049(b)(5) to nonresident aliens.

Payments on tax-free covenant bonds under section 1451.

Payments made by certain foreign organizations.

Mortgage or student loan interest paid to you.

## Other types of payment

Wages.

Distributions from a pension, annuity, profit-sharing or stock bonus plan, any IRA, an owner-employee plan, or other deferred compensation plan.

Distributions from a medical or health savings account and long-term care benefits.

Certain surrenders of life insurance contracts.

Distribution from qualified tuition programs or Coverdell ESAs.

Gambling winnings if regular gambling winnings withholding is required under section 3402(q). However, if regular gambling winnings withholding is not required under section 3402(q), backup withholding applies if the payee fails to furnish a TIN.

Real estate transactions reportable under section 6045(e).

Cancelled debts reportable under section 6050P.

Fish purchases for cash reportable under section 6050R.



After 2011, backup withholding will apply to certain payment card transactions by a qualified payment card agent under section 6050W.

## Joint Foreign Payees

If the first payee listed on an account gives you a Form W-8 or a similar statement signed under penalties of perjury, backup withholding applies unless:

1. Every joint payee provides the statement regarding foreign status, or

Form 1099-MISC, Miscellaneous Income, are not exempt from backup withholding.

Medical and health care payments.

Attorneys' fees.

Payments for services paid by a federal executive agency. (See Rev. Rul. 2003-66, which is on page 1115 of Internal Revenue Bulletin 2003-26 at [www.irs.gov/pub/irs-irbs/irb03-26.pdf](http://www.irs.gov/pub/irs-irbs/irb03-26.pdf))

## **Payments Exempt From Backup Withholding**

Payments that are not subject to information reporting also are not subject to backup withholding. For details, see sections 6041, 6041A, 6042, 6044, 6045, 6049, 6050A, and 6050N, and their regulations. The following payments are generally exempt from backup withholding.

**Instr. for Req. of Form W-9 (Rev. 1-2011)**

2. Any one of the joint payees who has not established foreign status gives you a TIN.

If any one of the joint payees who has not established foreign status gives you a TIN, use that number for purposes of backup withholding and information reporting.

For more information on foreign payees, see the Instructions for the Requester of Forms W-8BEN, W-8ECI, W-8EXP, and W-8IMY.

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## Names and TINs To Use for Information Reporting

Show the full name and address as provided on Form W-9 on the information return filed with the IRS and on the copy furnished to the payee. If you made payments to more than one payee or the account is in more than one name, enter on the first name line of the information return only the name of the payee whose TIN is shown on Form W-9. You may show the names of any other individual payees in the area below the first name line on the information return.



For more information on the names and TINs to use for information reporting, see section J of the General Instructions for Certain Information Returns.

## Notices From the IRS

The IRS will send you a notice if the payee's name and TIN on the information return you filed do not match the IRS's records. (See Taxpayer Identification Number (TIN) Matching, later.) You may have to send a "B" notice to

the payee to solicit another TIN. Pub. 1281, Backup Withholding for Missing and Incorrect Name/TIN(s), contains copies of the two types of "B" notices.

## Taxpayer Identification Number (TIN) Matching

TIN Matching allows a payer or authorized agent who is required to file Forms 1099-B, DIV, INT, K, MISC, OID, and/or PATR to match TIN and name combinations with IRS records before submitting the forms to the IRS. TIN Matching is one of the e-services products that is offered and is accessible through the IRS website. Go to IRS.gov and enter e-services in the search box. It is anticipated that payers who validate the TIN and name combinations before filing information returns will receive fewer backup withholding (CP2100) notices and penalty notices.

## Additional Information

For more information on backup withholding, see Pub. 1281.

**Instr. for Req. of Form W-9 (Rev. 1-2011)**

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**The Dealer Manager for the Offer is:**  
**DUNDEE CAPITAL MARKETS**

**Telephone: (416) 350-3388**  
**Toll Free: 1-888-332-2661**

**The Depositary and Information Agent for the Offers is:**



**By Mail**

The Exchange Tower  
130 King Street West, Suite 2950,  
P.O. Box 361  
Toronto, Ontario  
M5X 1E2

**By Registered Mail, Hand or by Courier**

The Exchange Tower  
130 King Street West, Suite 2950,  
Toronto, Ontario  
M5X 1E2

**North American Toll Free Phone:**

**1-866-851-3214**

E-mail: [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com)

Facsimile: 416-867-2271

Toll Free Facsimile: 1-866-545-5580

Outside North America, Banks and Brokers Call Collect: 416-867-2272

**Any questions or requests for assistance or additional copies of this Letter of Transmittal and the Offer and Circular may be directed by Shareholders to the Depositary and Information Agent or the Dealer Manager at their respective telephone numbers and locations set out above. You may also contact your broker, dealer, commercial bank or trust company or other nominee for assistance concerning the Offer.**

***THIS IS NOT A LETTER OF TRANSMITTAL. THIS NOTICE OF GUARANTEED DELIVERY IS FOR USE IN ACCEPTING THE OFFER BY ALAMOS GOLD INC. TO PURCHASE ALL OF THE OUTSTANDING COMMON SHARES OF AURIZON MINES LTD.***

## **NOTICE OF GUARANTEED DELIVERY**

**For Deposit of Common Shares of**

**Aurizon Mines Ltd.**

**Pursuant to the Offer dated January 14, 2013 made by**

**Alamos Gold Inc.**



**ALAMOS GOLD INC.**

**THE OFFER IS OPEN FOR ACCEPTANCE UNTIL 5:00 P.M. (TORONTO TIME) ON TUESDAY, FEBRUARY 19, 2013 (THE “EXPIRY TIME”), UNLESS THE OFFER IS EXTENDED OR WITHDRAWN.**

**USE THIS NOTICE OF GUARANTEED DELIVERY IF:**

- 1. YOU WISH TO ACCEPT THE OFFER BUT YOUR SHARE CERTIFICATES ARE NOT IMMEDIATELY AVAILABLE;**
- 2. YOU CANNOT COMPLETE THE PROCEDURE FOR BOOK-ENTRY TRANSFER ON A TIMELY BASIS; OR**
- 3. YOUR COMMON SHARE CERTIFICATE(S) AND ALL OTHER REQUIRED DOCUMENTS CANNOT BE DELIVERED TO THE DEPOSITARY AND INFORMATION AGENT PRIOR TO THE EXPIRY TIME.**

This Notice of Guaranteed Delivery or a facsimile hereof, properly completed and duly executed in accordance with the instructions set out herein, together with all other required documents, is to be used to deposit common shares (“**Common Shares**”) of Aurizon Mines Ltd. (“**Aurizon**”) under the offer dated January 14, 2013 (the “**Offer**”) made by Alamos Gold Inc. (the “**Offeror**”) to purchase, on the terms and subject to the conditions of the Offer, all of the issued and outstanding Common Shares, which include Common Shares that may become issued and outstanding after the date of the Offer but prior to the Expiry Time upon the exercise, exchange or conversion of options or any other rights to acquire Common Shares, if certificate(s) representing the Common Shares to be deposited are not immediately available, if the holder of Common Shares (the “**Shareholder**”) cannot complete the procedure for book-entry transfer on a timely basis, or the Shareholder is not able to deliver the certificate(s) and all other required documents to Kingsdale Shareholder Services Inc. (the “**Depository and Information Agent**”) at the office specified on the back of this Notice of Guaranteed Delivery at or prior to the Expiry Time.

The terms and conditions of the Offer are incorporated by reference into this Notice of Guaranteed Delivery. The Offer and Circular dated January 14, 2013 (the “**Offer and Circular**”) contain important information and Shareholders are urged to read the Offer and Circular in its entirety. Certain capitalized terms used but not defined in this Notice of Guaranteed Delivery have the respective meanings ascribed thereto in the Offer and Circular.

All dollar references in this Notice of Guaranteed Delivery refer to Canadian dollars, except where otherwise indicated.

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## WHEN AND HOW TO USE THIS NOTICE OF GUARANTEED DELIVERY

As set forth under Section 3 of the Offer and Circular, “Manner of Acceptance - Procedure for Guaranteed Delivery” if a Shareholder wishes to deposit Common Shares under the Offer but (a) the certificate(s) representing such Common Shares is (are) not immediately available, (b) the Shareholder cannot complete the procedure for book-entry transfer of such Common Shares on a timely basis, or (c) the certificate(s) and all other required documents cannot be delivered to the Depositary and Information Agent at or prior to the Expiry Time, such Common Shares (the “**Deposited Common Shares**”) may nevertheless be deposited validly under the Offer provided that all of the following conditions are met:

- (a) the deposit is made by or through an Eligible Institution (as defined below);
- (b) this Notice of Guaranteed Delivery or a manually executed facsimile hereof, properly completed and duly executed, including the guarantee of delivery by an Eligible Institution in the form set out below, is received by the Depositary and Information Agent at its office in Toronto, Ontario specified in this Notice of Guaranteed Delivery at or prior to the Expiry Time; and
- (c) the certificate(s) representing all Deposited Common Shares, in proper form for transfer, together with a Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed with the signatures guaranteed, if required, in accordance with the instructions set out in the Letter of Transmittal, and all other documents required by the terms of the Offer and the Letter of Transmittal (or, in the case of a book-entry transfer, a Book-Entry Confirmation with respect to the Deposited Common Shares and, in the case of accounts with The Depositary Trust Company or its nominee, which at the date hereof is Cede & Co. (“**DTC**”), a Letter of Transmittal or a manually signed facsimile thereof, properly completed and duly executed, together with any required signature guarantees, or an Agent’s Message in lieu of a Letter of Transmittal), are physically received by the Depositary and Information Agent at its office in Toronto, Ontario specified in the Letter of Transmittal at or prior to 5:00 p.m. (Toronto time) on the third trading day on the Toronto Stock Exchange (the “**TSX**”) after the Expiry Time.

**This Notice of Guaranteed Delivery must be delivered by hand or courier or transmitted by facsimile or mailed to the Depositary and Information Agent at its office in Toronto, Ontario specified in this Notice of Guaranteed Delivery at or prior to the Expiry Time and must include a guarantee by an Eligible Institution in the form set out in this Notice of Guaranteed Delivery. Delivery of this Notice of Guaranteed Delivery and the Letter of Transmittal and accompanying certificate(s) representing Common Shares and all other required documents to an address or transmission by facsimile to facsimile number other than those specified in this Notice of Guaranteed Delivery does not constitute delivery for purposes of satisfying a guaranteed delivery.**

An “**Eligible Institution**” means a Canadian Schedule I chartered bank, a major trust company in Canada, a commercial bank or trust company in the United States, a member of the Securities Transfer Agents Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP), acceptable to the Depositary and Information Agent; Members of these programs are usually members of a recognized stock exchange in Canada and/or the United States, members of the Investment Dealers Association of Canada, members of the Financial Industry Regulatory Authority, Inc. or banks or trust companies in Canada or the United States.

The undersigned understands and acknowledges that payment for Common Shares deposited and taken up by the Offeror under the Offer will be made only after timely receipt by the Depositary and Information Agent of certificate(s) representing the Common Shares, a Letter of Transmittal, or a manually signed facsimile thereof, properly completed and duly executed, covering such Common Shares, with any signature(s) guaranteed, if so required, in accordance with the instructions set out in the Letter of Transmittal, and all other documents required by the Letter of Transmittal before 5:00 p.m. (Toronto time) on the third trading day on the TSX after the date on which the Expiry Time occurs. The undersigned also understands and acknowledges that under no circumstances will interest accrue or any amount be paid by the Offeror or the Depositary and Information Agent to any persons depositing Common Shares by reason of any delay in making payments for Common Shares to any person on account of Common Shares accepted for payment under the Offer, and that the consideration for the Common Shares tendered pursuant to the guaranteed delivery procedures will be the same as that for the Common Shares delivered to the Depositary and Information Agent prior to the Expiry Time, even if the certificate(s) representing all of the Deposited Common Shares, to be delivered pursuant to the guaranteed delivery procedures set forth in Section 3 of the Offer and

Circular, “Manner of Acceptance - Procedure for Guaranteed Delivery”, are not so delivered to the Depositary and Information Agent and, therefore, payment by



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the Depositary and Information Agent on account of such Deposited Common Shares is not made until after the take up and payment for such Deposited Common Shares under the Offer.

All authority conferred or agreed to be conferred by the undersigned in this Notice of Guaranteed Delivery is, to the extent permitted by applicable Laws, irrevocable and may be exercised during any subsequent legal incapacity of the undersigned and shall, to the extent permitted by applicable Laws, survive the death or incapacity, bankruptcy or insolvency of the undersigned and all obligations of the undersigned under this Notice of Guaranteed Delivery shall be binding upon the heirs, executors, administrators, attorneys, personal representatives, successors and assigns of the undersigned.

**Questions and requests for assistance in accepting the Offer and in depositing Common Shares with the Depositary and Information Agent may be directed to the Depositary and Information Agent, Kingsdale Shareholder Services Inc., at 1-866-851-3214 toll free in North America or at +1 (416) 867-2272 outside of North America or by e-mail at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).**

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**TO: ALAMOS GOLD INC.**  
**AND TO: KINGSDALE SHAREHOLDER SERVICES INC, as Depositary and Information Agent**

*By Mail, by Registered Mail, by Hand  
or by Courier:*

Kingsdale Shareholder Services Inc.  
The Exchange Tower  
130 King Street West, Suite 2950  
P.O. Box 361  
Toronto, Ontario M5X 1E2

*By facsimile Transmission:*

(416) 867-2271  
or  
1-866-545-5580

**North American Toll-Free Phone:  
1-866-851-3214**

**THIS NOTICE OF GUARANTEED DELIVERY MUST BE DELIVERED BY HAND OR COURIER OR TRANSMITTED BY FACSIMILE OR MAILED TO THE DEPOSITARY AND INFORMATION AGENT AT ITS OFFICE IN TORONTO, ONTARIO AT THE ADDRESS OR FACSIMILE NUMBER SPECIFIED IN THIS NOTICE OF GUARANTEED DELIVERY AND MUST INCLUDE A GUARANTEE BY AN ELIGIBLE INSTITUTION IN THE FORM SET OUT IN THIS NOTICE OF GUARANTEED DELIVERY.**

**DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY AND THE LETTER OF TRANSMITTAL TO AN ADDRESS OR TRANSMISSION VIA FACSIMILE TO A FACSIMILE NUMBER OTHER THAN THOSE SET OUT ABOVE DOES NOT CONSTITUTE A VALID DELIVERY.**

**TO CONSTITUTE DELIVERY FOR THE PURPOSE OF SATISFYING GUARANTEED DELIVERY, UPON RECEIPT OF THE CERTIFICATE(S) TO WHICH THIS NOTICE OF GUARANTEED DELIVERY APPLIES, THE LETTER OF TRANSMITTAL, THE ACCOMPANYING CERTIFICATE(S) AND ALL OTHER REQUIRED DOCUMENTS MUST BE DELIVERED TO THE SAME OFFICE OF THE DEPOSITARY AND INFORMATION AGENT IN TORONTO, ONTARIO WHERE THIS NOTICE OF GUARANTEED DELIVERY IS DELIVERED.**

**THIS NOTICE OF GUARANTEED DELIVERY IS NOT TO BE USED TO GUARANTEE SIGNATURES ON THE LETTER OF TRANSMITTAL. IF A SIGNATURE ON THE LETTER OF TRANSMITTAL IS REQUIRED TO BE GUARANTEED BY AN ELIGIBLE INSTITUTION, SUCH SIGNATURE MUST APPEAR IN THE APPLICABLE SPACE IN THE LETTER OF TRANSMITTAL.**

**DO NOT SEND CERTIFICATES REPRESENTING COMMON SHARES WITH THIS NOTICE OF GUARANTEED DELIVERY. CERTIFICATES REPRESENTING COMMON SHARES MUST BE SENT WITH YOUR LETTER OF TRANSMITTAL.**

The undersigned hereby deposits with the Offeror, upon the terms and subject to the conditions set forth in the Offer and Circular and the Letter of Transmittal, receipt of which is hereby acknowledged, the Common Shares listed below pursuant to the guaranteed delivery procedure set forth in Section 3 of the Offer and Circular, “Manner of Acceptance – Procedure for Guaranteed Delivery”.

BOX 1			
DESCRIPTION OF COMMON SHARES DEPOSITED UNDER THE OFFER			
(Please print or type. If space is insufficient, please attach a list to this Notice of Guaranteed Delivery in the form below.)			
Certificate Number(s) or DRS Advice (if available)	Name(s) in Which Certificate(s) is (are) Registered (please print and fill in exactly as name(s) appear(s) on certificate(s) or DRS Advice	Number of Common Shares Represented by Certificate(s) or DRS Advice	Number of Common Shares Deposited*
<b>TOTAL:</b>			
<p>* If you desire to deposit fewer than all Common Shares evidenced by any certificate(s) listed above, please indicate in this column the number of Common Shares you wish to deposit. Unless otherwise indicated, the total number of Common Shares evidenced by all certificates delivered will be deemed to have been deposited.</p>			

**BOX 2**  
**ELECTION FOR CASH OR SHARES**

Under the Offer, the undersigned hereby elects to receive one of the following forms of consideration for all of the deposited Common Shares represented by the certificate(s) listed in Box 1 above. Shareholders may elect to receive either the Cash Alternative (Choice A) OR the Share Alternative (Choice B).

**Shareholders may choose only ONE of the choices below:**

**Choice A - The CASH ALTERNATIVE**

☐ **Canadian dollars**

Shareholders who check this box will receive Cdn\$4.65 in cash for each Common Share deposited under this Choice A (subject to pro ration).

☐ **United States dollars**

I elect for the payment of cash to which I am entitled under the Offer to be made in the U.S. dollar equivalent of the Cdn\$4.65, based on the exchange rate available to the Depositary and Information Agent at its typical banking institution on the date such funds are converted (which may be the Expiry Date or any later date and may be a date other than the date the certificate(s) representing the Common Shares being exchanged are received by the Depositary and Information Agent or the date of issue of payment therefor).

Shareholders who check this box will receive US\$ equivalent of Cdn\$4.65 in cash for each Common Share deposited under this Choice A (subject to pro ration).

Unless the United States dollars box above is checked, the cash payment for the Common Shares being exchanged will be made in Canadian dollars. Shareholders electing to receive payment of the cash to which they are entitled under the Offer in U.S. dollars will be deemed to have acknowledged and agreed that any change to the currency exchange rates of the United States or Canada between the date this Notice of Guaranteed Delivery is submitted and the date on which the funds are converted by the Depositary and Information Agent will be at the sole risk of the securityholder.

**Choice B - The SHARE ALTERNATIVE**

☐ **Choice B - The SHARE ALTERNATIVE**

Shareholders who check this box will receive 0.2801 common shares of the Offeror (“Offeror Shares”) for each Common Share deposited under this Choice B (subject to pro-ration).

**If you fail to make an election above, or the election fails to comply with the other requirements of such election and such failure is not corrected prior to the Expiry Time, you will be deemed to have elected the Share Alternative for the Deposited Common Shares as described in the Offer and Circular.**

No fractional Offeror Shares will be issued pursuant to the Offer. Where a Shareholder is to receive Offeror Shares as consideration under the Offer and the aggregate number of Offeror Shares to be issued to such Shareholder would result in a fraction of an Offeror Share being issuable, the number of Offeror Shares to be received by such Shareholder will be rounded down to the nearest whole Offeror Share and the amount of cash to be received by such Shareholder will be rounded down to the nearest whole cent.

A Shareholder who is an “Eligible Holder” (as defined in the Offer and Circular) and who wishes to elect the “Rollover Option” (as defined in the Offer and Circular) to make the joint tax election with the Offeror in order to obtain a full or partial tax-deferred rollover for Canadian federal income tax purposes in respect of the disposition of Common Shares pursuant to the Offer, must receive Offeror Shares as full or partial consideration for such Shareholder’s Deposited Common Shares. See Section 19 of the Offer and Circular, “Principal Canadian Federal Income Tax Considerations”.

**The undersigned acknowledges that the consideration payable pursuant to the Offer and this election is subject to pro-rata as set forth in Section 1 of the Offer and Circular, “The Offer”. If the aggregate cash consideration that would otherwise be payable by the Offeror to Shareholders who elect to receive cash under the Cash Alternative in respect of their Common Shares to be taken up under the Offer exceeds the Maximum Take-Up Date Cash Consideration, the amount of**

**cash consideration available to those Shareholders who have so elected the Cash Alternative will be allocated pro-rata (on a per share basis) among such Shareholders, as set forth in Section 1 of the Offer and Circular, “The Offer”.**

**An election (or deemed election) as to the consideration to be received by a Shareholder made in this Notice of Guaranteed Delivery shall supersede any election made in the Letter of Transmittal.**

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**SHAREHOLDER SIGNATURE(S)**

\_\_\_\_\_  
Signature(s) of Shareholder(s)

\_\_\_\_\_  
Address(es)

\_\_\_\_\_  
Name (please print or type)

\_\_\_\_\_  
Postal Code / Zip Code

\_\_\_\_\_  
Date

\_\_\_\_\_  
Daytime Telephone Number

**BOOK-ENTRY TRANSFER**

☐ Check if Common Shares will be deposited by book-entry transfer, and provide the information below:

\_\_\_\_\_  
Name of Depositing Institution

\_\_\_\_\_  
Account Number

\_\_\_\_\_  
Transaction Code Number

**GUARANTEE OF DELIVERY**  
**(Not to be used for signature guarantee)**

The undersigned, an Eligible Institution, hereby guarantees delivery to the Depositary and Information Agent, at its address set forth herein, of the certificate(s) representing the Common Shares deposited hereby, in proper form for transfer, together with a Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed, with any required signature guarantees, covering the Deposited Common Shares, and all other documents required by the Letter of Transmittal (or, in the case of a book-entry transfer, a confirmation of a book-entry transfer of a Shareholder's Common Shares into the Depositary and Information Agent's account at CDS or DTC, as applicable, with respect to all such Common Shares deposited hereby and, in the case of DTC accounts, a Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed, together with any required signature guarantees, or an Agent's Message (as defined in the Offer and Circular) in lieu of a Letter of Transmittal) at or prior to 5:00 p.m. (Toronto time) on the third trading day on the TSX after the date on which the Expiry Time occurs. Failure to comply with the foregoing could result in a financial loss to such Eligible Institution.

_____ Name of Firm	_____ Authorized Signature
_____ Address of Firm	_____ Name
_____ Postal Code / Zip Code	_____ Title
_____ Area Code and Telephone Number	_____ Date

**DO NOT SEND CERTIFICATES REPRESENTING COMMON SHARES WITH THIS FORM. SUCH CERTIFICATES SHOULD BE SENT WITH YOUR LETTER OF TRANSMITTAL.**

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**The Dealer Manager for the Offer is:**

**DUNDEE CAPITAL MARKETS**

Telephone: (416) 350-3388

Toll Free: 1-888-332-2661

**The Depositary and Information Agent for the Offers is:**



**By Mail**

The Exchange Tower  
130 King Street West, Suite 2950,  
P.O. Box 361  
Toronto, Ontario  
M5X 1E2

**By Registered Mail, Hand or by Courier**

The Exchange Tower  
130 King Street West, Suite 2950,  
Toronto, Ontario  
M5X 1E2

**North American Toll Free Phone:**

**1-866-851-3214**

E-mail: [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com)

Facsimile: 416-867-2271

Toll Free Facsimile: 1-866-545-5580

Outside North America, Banks and Brokers Call Collect: 416-867-2272

**Any questions or requests for assistance or additional copies of this Notice of Guaranteed Delivery and the Offer and Circular may be directed by Shareholders to the Depositary and Information Agent or the Dealer Manager at their respective telephone numbers and locations set out above. You may also contact your broker, dealer, commercial bank or trust company or other nominee for assistance concerning the Offer.**



**SHARE PURCHASE AGREEMENT**

**BETWEEN**

**PRECIOUS METALS AND MINERALS FUND, A SERIES OF USAA MUTUAL FUNDS TRUST**

**AND**

**ALAMOS GOLD INC.**

**MADE AS OF**

**JANUARY 13, 2013**

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## SHARE PURCHASE AGREEMENT

**THIS AGREEMENT** (this “**Agreement**”) is made as of January 13, 2013

### BETWEEN

**Alamos Gold Inc.**, a corporation incorporated under the laws of British Columbia (the “**Purchaser**”),

- and -

**Precious Metals and Minerals Fund, a series of USAA Mutual Funds Trust**, a trust formed under the laws of the State of Delaware (the “**Vendor**”)

**WHEREAS** Aurizon Mines Ltd. (the “**Corporation**”) is a corporation duly incorporated, organized and subsisting under the laws of the Province of British Columbia;

**AND WHEREAS** the Vendor is an investment company, having legal ownership of one or more accounts (the “**Accounts**”) that hold 7,000,000 common shares (the “**Common Shares**”) in the capital of the Corporation (the “**Subject Shares**”), all of which shares are listed and posted for trading on the Toronto Stock Exchange and the NYSE MKT;

**AND WHEREAS** the Vendor desires to sell and the Purchaser desires to purchase the Subject Shares, upon and subject to the terms and conditions hereinafter set forth;

**NOW THEREFORE**, in consideration of the premises and the covenants and agreements herein contained (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

### 1. Purchase and Sale

The Vendor, on behalf of the Accounts, hereby sells, transfers and assigns and the Purchaser hereby purchases, all of the Vendor's and the Accounts' right, title and interest in and to the Subject Shares free and clear of all Encumbrances (defined below) upon and subject to the terms and conditions hereof.

### 2. Determination of Purchase Price

The aggregate purchase price (the “**Purchase Price**”) payable by the Purchaser to the Vendor, on behalf of the Accounts, for the Subject Shares shall be equal to Cdn.\$4.65. The parties agree that the Purchase Price shall be satisfied by the delivery of 1,960,700 common shares in the capital of the Purchaser (the “**Consideration Shares**”), being 0.2801 Consideration Share per Subject Share.

### 3. Payment of Purchase Price

The parties agree that effective as of the date of this Agreement the Vendor hereby transfers to the Purchaser ownership of the Subject Shares, including, without limitation, all its beneficial

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interest in the Subject Shares, all rights to unpaid dividends and other distributions whatever the record date, all rights to vote the Subject Shares. The Vendor will take all steps necessary reasonably requested by the Purchaser to ensure that the Purchaser is immediately entitled to enjoy and to exercise that interest and those rights effective immediately.

At Closing (defined below),

- (a) the Purchaser shall deliver to the Vendor, certificate(s) representing all of the Consideration Shares, or, if the Consideration Shares are not in a certificated form, otherwise provide good title of the Consideration Shares to the Vendor in such other manner as agreed to by the parties;
- (b) the Vendor, on behalf of the Accounts, shall deliver to the Purchaser or, as directed by the Purchaser in writing, to an Affiliate (as such term is defined in National Instrument 45-106, *Prospectus and Registration Requirements*) of the Purchaser, certificate(s) representing all of the issued and outstanding Subject Shares, duly endorsed in blank for transfer or accompanied by duly signed powers of attorney for transfer in blank, or, if the Subject Shares are not in a certificated form, otherwise provide good title of the Subject Shares to the Purchaser in such other manner as agreed to by the parties; and
- (c) the Vendor, on behalf of the Accounts, shall deliver to the Purchaser a duly executed irrevocable proxy in favour of the Purchaser in the form attached as Schedule A hereto.

#### 4. Adjustment of Share Purchase Price

- (a) If at any time in the twelve-month period following the date of this Agreement any person or group of persons acting jointly or in concert, including, for the avoidance of doubt, the Purchaser, acquires all or substantially all of the assets of the Corporation and its subsidiaries, taken as a whole, or acquires all of the Common Shares (any such transaction being a “**Price Protection Transaction**”) then, within five business days following completion of the Price Protection Transaction, the Purchaser shall pay, or cause an Affiliate to pay, to the Vendor, the Adjustment Payment (as defined below), if applicable, in immediately available funds.
- (b) The “**Adjustment Payment**” will be equal to:
  - (i) if the Purchaser or any of its Affiliates or any person acting jointly or in concert with the Purchaser completes a Price Protection Transaction, an additional amount on account of each Subject Share equal to the amount by which the consideration received by the holders of the Common Shares pursuant to the Price Protection Transaction (the “**Transaction Consideration**”) exceeds the greater of Cdn.\$4.65 per Common Share and 0.2801 Consideration Share, and
  - (ii) if any other person or entity completes a Price Protection Transaction, an additional amount on account of each Subject Share that is equal to 100% of

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the difference between the amount by which the Transaction Consideration exceeds the greater of Cdn.\$4.65 per Common Share and 0.2801 Consideration Share.

- (c) If all or any portion of the Transaction Consideration is in the form of:
- (i) cash, the consideration shall be valued based on the face value of the cash,
  - (ii) publicly traded securities, the consideration shall be valued based on the closing price of such securities on the date of the completion of the Price Protection Transaction on the published market on which the greatest volume of trading in such securities occurred over the twenty days preceding such date,
  - (iii) securities that are not publicly traded until the date of the completion of the Price Protection Transaction, the consideration shall be valued based on the closing price of such securities on the five trading days following the completion of the Price Protection Transaction on the published market on which the greatest volume of trading in such securities occurred over such period, or
  - (iv) any other consideration, the consideration shall be valued at its fair market value as the Vendor and the Purchaser shall mutually agree, acting reasonably.
- (d) If all or any portion of the Transaction Consideration has a value expressed in a currency other than Cdn. dollars, then the value of that consideration will be expressed in Cdn. dollars based upon a conversion rate of exchange equal to the noon spot rate quoted by the Bank of Canada on the date of the completion of the Price Protection Transaction for the purchase of Cdn. dollars using the currency in which the consideration (or portion thereof) was originally denominated.
- (e) In the event of any disagreement between the parties with respect to the calculation of the Transaction Consideration, the matter will be submitted to an internationally recognized firm of chartered accountants independent of both parties and their Affiliates to be agreed upon by the parties. The decision of such firm of chartered accountants as to the value of the Adjustment Payment will be final and binding.

## **5. Closing**

The sale and purchase of the Subject Shares will be completed as soon as possible after the execution and delivery of this Agreement by the Vendor and the Purchaser at the offices of Torys LLP, 1114 Avenue of the Americas, 23rd Floor, New York, New York, 10036 (the “Closing”).

## **6. Vendor’s Representations and Warranties**

The Vendor represents and warrants to the Purchaser that:

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- (a) The Vendor is a trust formed under the laws of the State of Delaware;
  - (b) The Vendor is the legal and the beneficial owner of the Subject Shares free and clear of all liens, charges, encumbrances, hypothecs, pledges, mortgages, security interests of any nature, adverse claims, options, rights of pre-emption, and any other rights of others (collectively, “**Encumbrances**”).
  - (c) Other than the Subject Shares, neither the Vendor nor any of its Affiliates own or exercise investment authority over any securities of the Corporation or any of its subsidiaries or any securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, securities of the Corporation or its subsidiaries.
  - (d) The Vendor has good and sufficient power, authority and right to enter into and deliver this Agreement and to transfer the legal and beneficial title and ownership of the Subject Shares on behalf of the Accounts to the Purchaser free and clear of all Encumbrances and, upon payment of the Purchase Price, the Purchaser will acquire good and valid title to the Subject Shares, free and clear of all Encumbrances.
  - (e) The Vendor is authorized to sell and transfer to the Purchaser the full legal and beneficial ownership of the Subject Shares on the terms of this Agreement without the consent of any third party.
  - (f) The execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action on the part of the Vendor.
  - (g) This Agreement constitutes a valid and legally binding obligation of the Vendor, enforceable against the Vendor in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors’ rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the court.
  - (h) There is no contract, option or any other right of another party binding upon or which at any time in the future may become binding upon the Vendor to sell, transfer, assign, pledge, charge, mortgage or in any other way dispose of or encumber any of the Subject Shares other than pursuant to the provisions of this Agreement.
  - (i) There is no outstanding voting trust, proxy or other similar agreement with respect to the voting of the Subject Shares, other than the proxy granted to the Purchaser as contemplated under the terms of this Agreement.
  - (j) To the Vendor’ s knowledge, neither entering into nor the delivery of this Agreement nor the completion of the transactions contemplated hereby by the Vendor will result in the violation of:
    - (i) any of the provisions of the organizational documents or by-laws of the Vendor;

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- (ii) any contract (written or oral) or other instrument to which the Vendor is a party or by which the Vendor is bound; or
  - (iii) any law, statute, rule, regulation, or any existing applicable decree, judgment, or order by any court, administrative agency, or other governmental body (collectively, “**Law**”), in respect of which the Vendor must comply.
- (k) The Vendor has not disclosed to the Purchaser any confidential or material, non-public information concerning the Common Shares or the Corporation.
  - (m) The Vendor is knowledgeable of, or has been independently advised as to, the applicable securities laws of the jurisdiction which would apply to this subscription, if any.
  - (n) The Vendor is permitted to purchase and hold the Consideration Shares pursuant to exemptions from any prospectus, financial promotion or registration requirements under the applicable securities legislation of any applicable jurisdiction or, if such is not applicable, the Vendor is permitted to purchase and hold the Consideration Shares under the applicable securities laws of such jurisdiction without the need to rely on exemptions.
  - (o) The Vendor understands that the Vendor may not be able to resell the Consideration Shares except in accordance with limited exemptions available under applicable securities legislation and regulatory policy, and that the Vendor is solely responsible for the Vendor’s compliance with applicable resale restrictions.
  - (p) The Vendor has not received or been provided with any offering memorandum, or any other document (other than annual financial statements, interim financial statements or any other document (excluding offering memoranda, prospectuses or other offering documents) the content of which is prescribed by statute or regulation and which has been publicly filed on SEDAR) describing the business and affairs of the Purchaser, which has been prepared for delivery to and reviewed by prospective purchasers in order to assist them in making an investment decision in respect of the Consideration Shares.
  - (q) The Vendor has relied solely upon publicly available information relating to the Purchaser and not upon any oral or written representation as to fact or otherwise made by or on behalf of the Purchaser.
  - (r) No person has made any written or oral representations to the Vendor that any person will resell or repurchase any of the Consideration Shares, that any person will refund the purchase price of any of the Consideration Shares or as to the future price or value of the Consideration Shares.
  - (u) The Vendor will not resell any of the Consideration Shares except in accordance with the provisions of applicable securities legislation, securities regulatory policy, and stock exchange rules.

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- (v) The Vendor is an institutional “accredited investor” that satisfies one or more of the criteria set forth in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the United States Securities Act of 1933, as amended (the “**1933 Act**”) (hereinafter referred to as an “**Institutional Accredited Investor**”), and is purchasing the Consideration Shares for investment purposes only for its own account or for the account of one or more Institutional Accredited Investors with respect to which it exercises sole investment discretion, and not with a view to any resale, distribution or other disposition of Consideration Shares in violation of United States federal or state securities laws.
  - (w) The Vendor has not become aware of any advertisement in printed media of general and regular paid circulation or on radio, television or other form of telecommunication or any other form of advertisement (including electronic display or the Internet) or sales literature with respect to the distribution of the Consideration Shares and the Vendor has not purchased the Consideration Shares as a result of any “general solicitation” or “general advertising” (as those terms are used in Regulation D under the 1933 Act).
  - (x) The Vendor understands and acknowledges that Consideration Shares have not been and will not be registered under the 1933 Act or the securities laws of any state of the United States, and will, therefore, be “restricted securities” within the meaning of Rule 144 under the 1933 Act, and that the offer and sale of the Consideration Shares to it will be made in reliance upon an exemption from registration available to the Purchaser for offers and sales to Institutional Accredited Investors.
  - (y) The Vendor understands and acknowledges until such time as Consideration Shares are no longer required under applicable requirements of the 1933 Act or applicable state securities laws, certificates representing such Consideration Shares, and all certificates issued in exchange therefor or in substitution thereof, shall bear the following legend:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “1933 ACT”), OR THE LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF ALAMOS GOLD INC. (THE “CORPORATION”) THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT PROVIDED BY (1) RULE 144 THEREUNDER, IF AVAILABLE, OR (2) RULE 144A THEREUNDER, IF AVAILABLE, AND, IN BOTH CASES, IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE

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REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF (C)(1) AND (D) ABOVE, AFTER THE SELLER FURNISHES TO THE CORPORATION AND THE CORPORATION'S TRANSFER AGENT AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. "

*provided*, that if, at the time the Purchaser is a "foreign issuer" as defined in Regulation S, such securities are being sold in accordance with the requirements of Rule 904 of Regulation S under the 1933 Act, as referred to above, and in compliance with local laws and regulations, the legend may be removed by providing a declaration to the Purchaser's applicable transfer agent for such securities, in the form attached hereto as Schedule B (or as the Purchaser may prescribe from time to time); *notwithstanding the foregoing*, the Purchaser's applicable transfer agent may impose additional requirements for the removal of legends from securities sold in accordance with Rule 904 of Regulation S under the 1933 Act in the future; *provided further*, that, if any Consideration Shares are being sold pursuant to Rule 144 under the 1933 Act, the legend may be removed by delivery to the Purchaser and the Purchaser's applicable transfer agent of an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Purchaser to the effect that the legend is no longer required under applicable requirements of the 1933 Act or state securities laws.

- (z) The Purchaser is acquiring the Consideration Shares for its own account for investment, without a view to, or for a resale in connection with, any distribution thereof and with no present intention of distributing or reselling any part thereof. The Purchaser was not created or used solely to purchase or hold the Consideration Shares. The Purchaser is resident in the United States and all acts of solicitation, conduct or negotiations directly or indirectly in furtherance of the purchase of the Consideration Shares occurred outside of Canada (except in Ontario).
- (aa) The Vendor is purchasing the Consideration Shares as principal for its own account and not for the benefit of any other person, it is an "accredited investor" as defined in section 1.1 of National Instrument 45-106 Prospectus and Registration Exemptions, and is not a person that is created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in section 1.1 of National Instrument 45-106 Prospectus and Registration Exemptions (unless each of the shareholders of such person is an "accredited investor" under such instrument).



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- (bb) The Vendor acknowledges that the Consideration Shares that the certificates representing the Consideration Shares (or any certificates issued in exchange or in substitution thereof), will bear the following legends with the necessary information inserted:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [THE DATE WHICH IS FOUR MONTHS AND ONE DAY AFTER THE CLOSING DATE WILL BE INSERTED].”

and

“WITHOUT PRIOR WRITTEN APPROVAL OF THE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [THE DATE WHICH IS FOUR MONTHS AND ONE DAY AFTER THE CLOSING DATE WILL BE INSERTED].”

provided that subsequent to the date which is four months and one day after the Closing Date the certificates representing the Consideration Shares may be exchanged for certificates bearing no such legends.

- (cc) The Vendor acknowledges and consents to the Purchaser collecting personal information relating to the Vendor for the purpose of completing this Agreement. The Vendor acknowledges and consents to the Purchaser retaining such personal information for as long as permitted or required by law or business practices. The Vendor further acknowledges and consents to the fact that the Purchaser may be required by Canadian securities laws, the rules and policies of the Toronto Stock Exchange or of any applicable stock exchange to provide regulatory authorities with any personal information provided by the Vendor in this Agreement. Specifically, such consent shall extend to the collection, use and disclosure of personal information by the Toronto Stock Exchange for the following purposes, or as otherwise described or identified by the Toronto Stock Exchange from time to time:
- (i) to conduct background checks;
  - (ii) to verify the personal information that has been provided about each individual;
  - (iii) to consider the suitability of the individual to act as an officer, director, insider, promoter, investor relations provider or, as applicable, an employee or consultant, of the Purchaser or the applicant;
  - (iv) to consider the eligibility of the Purchaser or the applicant to list on the Toronto Stock Exchange;
  - (v) to provide disclosure to market participants as to the security holdings of directors, officers, other insiders and promoters of the Purchaser, or its

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associates or affiliates;

- (vi) to conduct enforcement proceedings; and
  - (vii) to perform other investigations as required by and to ensure compliance with all applicable rules, policies, rulings and regulations of the Toronto Stock Exchange, securities legislation and other legal and regulatory requirements governing the conduct and protection of the public markets in Canada.
- (dd) The Vendor has been advised that the Toronto Stock Exchange also collects additional personal information from other sources, including but not limited to, securities regulatory authorities in Canada or elsewhere, investigative, law enforcement or self-regulatory organizations, regulations services providers and each of their subsidiaries, affiliates, regulators and authorized agents, to ensure that the purposes set out above can be accomplished. The personal information the Toronto Stock Exchange collects may also be disclosed to such agencies and organizations, or as otherwise permitted or required by law, and they may use it in their own investigations for the purposes described above and may also be disclosed on the website of the Toronto Stock Exchange or through printed materials published by or pursuant to the directions of the Toronto Stock Exchange. The Toronto Stock Exchange may from time to time use third parties to process information and/or provide other administrative services and in this regard, may share the information with such third party service providers. The Vendor represents and warrants that the Vendor has the authority to provide the consents and acknowledgements set out in this paragraph on behalf of each beneficial purchaser for whom the Vendor is contracting hereunder.
- (ee) If the Vendor is resident, or, if not an individual, has its head office, in the Province of Ontario, the Vendor acknowledges that it has been notified:
- (i) of the delivery to the OSC of information with respect to the Vendor's full name, residential address (or head office) and telephone number, the number and type of securities received, the total value of such securities, the prospectus exemption relied upon by the Purchaser and the date of distribution (collectively the "**Vendor Information**");
  - (ii) that the Vendor Information is being collected indirectly by the OSC under the authority granted to it by the securities laws of Ontario;
  - (iii) that the Vendor Information is being collected for the purposes of the administration and enforcement of the Securities Laws of Ontario;
  - (iv) that the Administrative Assistant to the Director of Corporate Finance of the OSC can be contacted at Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8 or at (416) 593-8086 regarding any questions about the OSC's indirect collection of the Vendor Information; and
  - (v) the Vendor authorizes the indirect collection of the Vendor Information by the OSC.

The representations and warranties of the Vendor set forth in this Section 7 will survive the Closing.

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## **8. Purchaser' s Representations and Warranties**

The Purchaser represents and warrants to the Vendor that:

- (u) The Purchaser is a corporation duly incorporated, organized and subsisting under the laws of the Province of British Columbia.
- (v) The Purchaser has good and sufficient power, authority and right to enter into and deliver this Agreement and to complete the transactions contemplated by this Agreement.
- (w) The execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action on the part of the Purchaser.
- (x) This Agreement constitutes a valid and legally binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the court.
- (y) To the Purchaser' s knowledge, neither the entering into nor the delivery of this Agreement nor the completion of the transactions contemplated hereby by the Purchaser will result in a violation of:
  - (i) any of the provisions of the organizational documents or by-laws of the Purchaser;
  - (ii) any contract (written or oral) or other instrument to which the Purchaser is a party or by which the Purchaser is bound;  
or
  - (iii) any applicable Law in respect of which the Purchaser must comply.
- (z) The Purchaser has had the opportunity to seek independent legal and/or tax advice in connection with the purchase of the Subject Shares and has conducted its own due diligence with respect to the merits of the purchase of the Subject Shares.
- (aa) The Purchaser has not provided the Vendor with any confidential or material, non-public information concerning the Subject Shares or the Corporation.
- (bb) As of the date hereof, no actions or filings are required to be made by the Purchaser in respect of this Agreement other than as required under the applicable securities Laws.

The representations and warranties of the Purchaser set forth in this Section 8 will survive the Closing.

## **9. Obligation to File a Prospectus**

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- (a) In this section,
- (i) “**Commissions**” means the securities commissions or other securities regulatory authorities in each of the provinces of Canada;
  - (ii) “**misrepresentation**” means (i) an untrue statement of material fact, or (ii) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made;
  - (iii) “**Qualification**” means the qualification of securities under the Securities Laws so as to permit the distribution of such securities to the public in applicable provinces and territories of Canada subject to the limitations contained herein; and
  - (iv) “**Securities Laws**” means the applicable securities legislation of each of the provinces and territories of Canada, as well as the applicable federal and state securities legislation of the United States, and all published rules, regulations, instruments, policy statements, orders, rulings, communiqués and interpretation notes issued thereunder or in relation thereto, as the same may hereafter be amended or replaced.
- (b) Subject to the provisions hereof, the Purchaser hereby agrees to forthwith, and in any event within fifteen (15) days of the Closing, prepare and file in the English language, in one or more Canadian jurisdictions (as determined by the Purchaser after consultation with all selling shareholders named therein) a preliminary prospectus under and in compliance with the Securities Laws of each Canadian jurisdiction in which the preliminary prospectus is filed and such other related documents as may be reasonably necessary to be filed in connection with the preliminary prospectus and shall, as soon as possible after any comments of the Commissions have been satisfied with respect thereto, prepare and file under and in compliance with Securities Laws a final prospectus in the English language and use commercially reasonable efforts to cause a receipt to be issued for such prospectus as soon as possible and shall take all other steps and proceedings that may be reasonably necessary in order to permit the Qualification of the Consideration Shares for distribution by registrants who comply with the relevant provisions of the Securities Laws.
- (c) Furthermore, the Purchaser will:
- (i) use commercially reasonable efforts to prepare and file with the applicable Commissions in the Canadian jurisdictions in which the final prospectus is filed such amendments and supplements to such preliminary prospectus and final prospectus, as may be reasonably necessary to comply with the provisions of the applicable Securities Laws with respect to the Qualification of the Consideration Shares, and take such steps as are reasonably necessary to maintain the effectiveness of such prospectus until

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the time at which the distribution of the Consideration Shares is completed (but such requirement will only extend for a maximum period of four months from the date of Closing (the “**Distribution Period**”));

- (ii) as expeditiously as possible following actual knowledge by the Purchaser thereof, notify the Vendor of the happening of any event during the Distribution Period as a result of which the preliminary prospectus or final prospectus, as then in effect, would include a misrepresentation (insofar as such misrepresentation relates to or was made by the Purchaser);
  - (iii) in the event of the issuance of any order or ruling suspending the effectiveness of a prospectus receipt or any order suspending or preventing the use of any prospectus or suspending the Qualification of any of the Consideration Shares by such prospectus in any applicable province of Canada, the Purchaser will, as expeditiously as possible after actual knowledge by the Purchaser thereof, notify the Vendor of such event and use its commercially reasonable efforts promptly to obtain the withdrawal of such order or ruling; and
  - (iv) be responsible for its own costs and the costs of its counsel in connection with the preparation of the preliminary and final prospectus and its other obligations set out in this section 9 and any filing fees associated with the filing of the preliminary or final prospectus or any other document related thereto (the “**Purchaser Paid Expenses**”).
- (d) In connection with the foregoing, the Vendor shall:
- (i) provide, in writing, such information with respect to the Vendor including the number of securities of the Purchaser held by the Vendor as may be required by the Purchaser to comply with the applicable Securities Laws in each jurisdiction in which the prospectus is to be filed;
  - (i) if required under applicable Securities Laws, execute any certificate forming part of a preliminary prospectus or final prospectus or similar document to be filed with the applicable Commissions;
  - (ii) immediately notify the Purchaser of the happening of any event during the Distribution Period, as a result of which the preliminary prospectus or final prospectus as in effect, would include a misrepresentation insofar as such misrepresentation relates to the Vendor or relates to information provided by the Vendor to the Purchaser in writing for inclusion in the preliminary prospectus or final prospectus;
  - (iii) comply with all applicable published policies, rules and regulations of the applicable Commissions and any stock exchange and over-the-counter market on which the common shares of the Purchaser are then listed or quoted and to otherwise comply with applicable Securities Laws;

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- (iv) not effect or permit to be effected sales of the Consideration Shares or deliver or permit to be delivered any prospectus in respect of such sale without the prior written consent of the Vendor, which consent will remain effective for the business day on which it is given only; and
  - (v) except for the Purchaser Paid Expenses, will be responsible for the payment of all of its own fees and expenses incurred in connection herewith, including without limitation, all underwriting commissions and fees payable in respect of the sale of the Consideration Shares.
- (e) Indemnification
- (i) *By Purchaser.* The Purchaser agrees to indemnify, to the extent permitted by law, the Vendor and each person who participates as an underwriter in the offering or sale of the Consideration Shares, their respective directors, officers, employees and agents and each Person who controls such underwriter (within the meaning of any applicable Securities Laws) against all losses (excluding loss of profits), claims, damages, liabilities and expenses arising out of or based upon: (i) any information or statement contained in the preliminary prospectus, final prospectus, or any filing made in connection therewith or any amendment thereto which at the time and in light of the circumstances under which it was made contains a misrepresentation; (ii) any order made or inquiry, investigation or proceedings commenced or threatened by any applicable Commission, court or other competent authority based upon any misrepresentation in the preliminary prospectus, the final prospectus, or any amendment thereto or based upon any failure to comply with applicable Securities Laws (other than any failure to comply with applicable Securities Laws by the Vendor or the underwriter or underwriters); and (iii) non-compliance by the Purchaser with any of the Securities Laws in connection with the qualification and the distribution effected thereunder, except in the case of any of the foregoing insofar as (A) any information or statement referred to in clause (i) or (ii) of this subsection (e) has been furnished to the Purchaser by the Vendor or the underwriter or underwriters expressly for use therein pursuant to subsection (e); (B) caused by the Vendor or any underwriter's failure to deliver to a purchaser of Consideration Shares, a copy of the prospectus or any amendments or supplements thereto or to otherwise comply with applicable Securities Laws; (C) the completion of any sale in contravention of the Vendor's obligation to obtain the Purchaser's prior written approval; or (D) any amounts paid in settlement of any claim have been paid if such settlement is effected without the prior written consent of the Purchaser, which consent shall not be unreasonably withheld or delayed.
  - (ii) *By Vendor.* The Vendor agrees to indemnify, to the extent permitted by law, the Purchaser and each Person who participates as an underwriter in the offering or sale of the Consideration Shares, their respective directors,

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officers, employees and agents and each Person who controls such underwriter (within the meaning of any applicable Securities Laws) against all losses (excluding loss of profits), claims, damages, liabilities and expenses arising out of or based upon: (i) any information or statement contained in the preliminary prospectus, final prospectus, any filing made in connection therewith or any amendment thereto which has been furnished to the Purchaser by the Vendor expressly for use therein pursuant to section 9 which at the time and in light of the circumstances under which it was made contains a misrepresentation; (ii) any order made or inquiry, investigation or proceedings commenced or threatened by any applicable Commission, court or other competent authority based upon (A) any misrepresentation in the preliminary prospectus, the final prospectus, or any amendment thereto based upon any information or statement which has been furnished to the Purchaser by the Vendor expressly for use therein pursuant to subsection 3.2(a), or (B) any failure to comply with applicable Securities Laws by the Vendor; (iii) the Vendor's failure to deliver to a purchaser of Consideration Shares, a copy of the prospectus or any amendments or supplements thereto or to otherwise comply with applicable Securities Laws; and (iv) the completion of any sale in contravention of the Vendor's obligation to obtain the Purchaser's prior written approval, except in the case of any of the foregoing insofar any amounts paid in settlement of any claim have been paid if such settlement is effected without the prior written consent of the Vendor, which consent shall not be unreasonably withheld or delayed.

- (iii) *Procedure.* Any Person entitled to indemnification hereunder will (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel satisfactory to the indemnified party, acting reasonably. If such defense is assumed, the indemnifying party will not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent will not be unreasonably withheld). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim will not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim. No indemnifying party may settle any claims without the express written consent of an indemnified party (such consent not to be unreasonably withheld where such consent does not contain any admission of liability).

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- (iv) *Survival; Contribution.* The indemnification provided for under this Agreement will survive the expiry of this Agreement and will remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling Person of such indemnified party and will survive any transfer of securities pursuant thereto. In the event the indemnification is unavailable in whole or in part for any reason under this section 9, the Purchaser and the Vendor shall contribute to the aggregate of all losses, claims, damages, liabilities and expenses in such proportion as is appropriate to reflect the relative fault of the Purchaser and the Vendor in connection with the event giving rise to liability.
  - (v) *Vendor is Trustee.* The Purchaser hereby acknowledges and agrees that, with respect to this Section 9, the Vendor is contracting on its own behalf and as agent for the other indemnified persons referred to in Section 9. In this regard, the Vendor will act as trustee for such indemnified persons of the covenants of the Purchaser under this Section 9 with respect to such indemnified persons and accepts these trusts and will hold and enforce those covenants on behalf of such indemnified persons.
  - (vi) *Purchaser is Trustee.* The Vendor hereby acknowledges and agrees that, with respect to this Section 9, the Purchaser is contracting on its own behalf and as agent for the other indemnified persons referred to in Section 9. In this regard, the Purchaser will act as trustee for such indemnified persons of the covenants of the Vendor under this Section 9 with respect to such indemnified persons and accepts these trusts and will hold and enforce those covenants on behalf of such indemnified persons.

## 10. Confidentiality

Except to the extent required by Law, rules or securities policies, including the rules or policies of any relevant stock exchange, (i) no public announcement or news release concerning the matters provided for in this Agreement may be made by the Purchaser without the Vendor's prior written consent and (ii) no copy of this Agreement may be provided by the Purchaser to any person (except to its Affiliates, and their respective directors, officers, employees, advisors or lenders (collectively, "**Purchaser Representatives**")) without the Vendor's prior consent. The Purchaser shall be entitled to disclose confidential information only to those Purchaser Representatives who, in all cases, need to know such confidential information, directed to hold such information in the strictest of confidence and agree and undertake to maintain the confidential nature of such confidential information and act in accordance with the terms of this provision. To the extent that the Purchaser must make the contents of this Agreement public under the terms of applicable Laws, the Purchaser agrees to omit or censor, in consultation with the Vendor, acting reasonably, any information that would be prejudicial to the interests of the Vendor or the Purchaser, to the extent permitted pursuant to applicable Laws.

The Purchaser hereby consents and agrees to be responsible for any breach of this Section 10 by Purchaser Representatives, whether or not they agree in writing to be bound by its terms.



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## **11. Statutory References**

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulation made thereunder.

## **12. Headings**

The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement. The terms “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Sections are to Sections of this Agreement.

## **13. Currency**

Unless stated otherwise in this Agreement, all references in this Agreement to sums of money are expressed in, and all payments provided for herein shall be made in Canadian dollars, and “\$” refers to Canadian dollars.

## **14. Further Assurances**

Each of the Vendor and the Purchaser will promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further documents and instruments and do all acts and things as the other party may, either before or after the Closing, reasonably required to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement. If required by applicable securities Laws, each of the Vendor and the Purchaser will execute, deliver and file or assist the other party in filing such reports, undertakings and other documents with respect to the sale of the Securities as may be reasonably required by any securities commission, stock exchange or other regulatory authority.

## **15. Entire Agreement**

This Agreement, including the Schedules attached hereto, sets forth the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes any and all prior discussions, negotiations, letters of intent or agreements in principle between them.

## **16. Binding Effect; No Third Party Beneficiaries**

This Agreement shall be binding upon and shall inure to the exclusive benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and permitted assigns and nothing herein, express or implied, is intended to, nor shall it, confer in any other person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

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**17. Amendment**

No amendment to this Agreement may be made unless agreed to by the parties hereto in writing.

**18. Assignability**

No party hereto shall sell, pledge, assign or otherwise transfer its rights under this Agreement without the prior written consent of the other parties and any attempt to do so shall be void, except that the Purchaser may assign or transfer its rights under this Agreement to any Affiliate of the Purchaser without the Vendor's consent.

**19. Waiver**

No failure or delay by the Purchaser or the Vendor in exercising any right hereunder or any partial exercise thereof shall operate as a waiver thereof or preclude any other or further exercise of any right hereunder, nor shall any waiver constitute a continuing waiver unless otherwise expressly provided.

**20. Governing Law**

This Agreement is and shall be deemed to be a contract entered into and made pursuant to the laws of the State of New York and shall in all respects be governed, construed, applied and enforced in accordance with said laws, without reference to applicable conflict of laws rules or principles.

**21. Time of the Essence**

Time is of the essence in this Agreement.

**22. Counterparts**

This Agreement may be executed in counterparts, each of which will be deemed to be an original and both of which taken together will be deemed to constitute one and the same instrument.

**23. Electronic Delivery**

Delivery of an executed signature page to this Agreement by either party by facsimile or by PDF via electronic transmission will be as effective as delivery of a manually executed copy of the Agreement by such party.

**23. Expenses**

All costs and expenses incurred in connection with this Agreement and each other agreement, document and instrument contemplated by this Agreement and the transactions contemplated hereby and thereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

**24. Notices**

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All notices, requests, consents, claims, demands, waivers and other communications under this Agreement shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 24):

If to the Purchaser: Alamos Gold Inc.  
130 Adelaide Street West  
Toronto, Ontario  
M5H 3P5  
Facsimile: (416) 368-2934  
E-mail: mhoworth@alamosgold.com  
Attention: Matthew Howorth, Vice-President, Legal

with a copy to: Torys LLP  
79 Wellington Street West, Suite 3000  
Toronto, Ontario  
M4L 3Y7  
Facsimile: (416) 865-7380  
E-mail: kmorris@torys.com  
Attention: Kevin Morris

If to the Vendor: USAA Precious Metals and Minerals Fund  
Facsimile: (210) 498-4831  
Attention: Dan Debnaw

with a copy to: Daniel Mavico  
USAA Attorney FASG  
Facsimile: (877) 392-5070  
E-mail: Daniel.Mavico@usaa.com

## **25. Severability**

If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

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**26. Waiver**

No waiver by any party of any of the provisions of this Agreement shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

**27. Equitable Remedies**

Each party hereto acknowledges that a breach or threatened breach by such party of any of its obligations under this Agreement would give rise to irreparable harm to the other party for which monetary damages would not be an adequate remedy and hereby agrees that in the event of a breach or a threatened breach by such party of any such obligations, the other party hereto shall, in addition to any and all other rights and remedies that may be available to it in respect of such breach, be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction (without any requirement to post bond).

**28. Successors and Assigns**

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors and permitted assigns.

**29. No Third-Party Beneficiaries**

This Agreement is for the sole benefit of the parties to this Agreement and their respective permitted successors and permitted assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

**30. Waiver of Jury Trial**

Each party acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Agreement or the transactions contemplated hereby.

[Remainder of page left intentionally blank]

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IN WITNESS WHEREOF the parties have executed this Agreement.

**ALAMOS GOLD INC.**

By: /s/ Jamie Porter

Name: Jamie Porter

Title: Chief Financial Officer

By: /s/ Matthew Howorth

Name: Matthew Howorth

Title: Vice President, Legal

**PRECIOUS METALS AND  
MINERALS FUND, A SERIES OF  
USAA MUTUAL FUNDS TRUST**

By: /s/ J. Dan Denbow

Name: J. Dan Denbow

Title: Assistant Vice President

By:

Name:

Title:

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## SCHEDULE A

### **FORM OF IRREVOCABLE PROXY**

The undersigned, being the beneficial owner of the below described common shares of Aurizon Mines Ltd., a corporation incorporated under the laws of the Province of British Columbia (the “**Corporation**”), for consideration received, hereby make, constitute and appoint, Alamos Gold Inc. (“**Purchaser**”), and any of Purchaser’s officers and directors, its true and lawful attorneys, for and in its name, place and stead, to act as its proxy, with full power of substitution and resubstitution, to Vote (as defined below) the 7,000,000 common shares of the Corporation over which the undersigned has investment authority (the “**Shares**”) on the date hereof.

In this proxy, “**Vote**” means voting in person or by proxy in favor of or against any action, otherwise consenting to a resolution in writing or withholding such written consent in respect of any action or taking other action in favor of or against any action.

This proxy applies to any Vote (i) at any meeting of the shareholders of the Corporation, and any adjournment or postponement thereof, or (ii) in connection with any unanimous written resolution of shareholders of the Corporation.

This proxy is coupled with an interest, revokes all prior proxies granted by the undersigned in respect of the Shares and shall remain irrevocable so long as the Shares are owned by the undersigned.

Dated: January 13, 2013

**PRECIOUS METALS AND  
MINERALS FUND, A SERIES OF  
USAA MUTUAL FUNDS TRUST**

By: /s/ J. Dan Denbow

Name: J. Dan Denbow

Title: Assistant Vice President

By: \_\_\_\_\_

Name:

Title:

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**SCHEDULE B**

**FORM OF DECLARATION FOR REMOVAL OF LEGEND**

TO:               ■, as transfer agent for the securities of Alamos Gold Inc.

AND TO:       Alamos Gold Inc.

Attention: ■

The undersigned (a) acknowledges that the sale of ■ common shares of ■ Alamos Gold Inc. (the “**Corporation**”) to which this declaration relates, represented by certificate number ■, is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the “**1933 Act**”), and (b) certifies that (1) the seller is not an “affiliate” (as that term is defined in Rule 405 under the 1933 Act) of the Corporation, (2) the offer of such securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (B) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of “washing off” the resale restrictions imposed because the securities are “restricted securities” (as such term is defined in Rule 144(a)(3) under the 1933 Act), (5) the seller does not intend to replace such securities with fungible unrestricted securities and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S under the 1933 Act, is part of a plan or scheme to evade the registration provisions of the 1933 Act. Terms used herein have the meanings given to them by Regulation S under the 1933 Act.

Dated ■

**PRECIOUS METALS AND  
MINERALS FUND, A SERIES OF  
USAA MUTUAL FUNDS TRUST**

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title:

**SHARE PURCHASE AGREEMENT**

**BETWEEN**

**DYNAMIC PRECIOUS METALS FUND AND DYNAMIC STRATEGIC GOLD CLASS**

**AND**

**ALAMOS GOLD INC.**

**MADE AS OF**

**January 13, 2013**



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## SHARE PURCHASE AGREEMENT

THIS AGREEMENT (this “**Agreement**”) is made as of January 13, 2013

### BETWEEN

**ALAMOS GOLD INC.**, a corporation incorporated under the laws of the Province of British Columbia (the “**Purchaser**”),

- and -

**DYNAMIC PRECIOUS METALS FUND**, an open-ended trust, by its manager GCIC Ltd.

- and -

**DYNAMIC STRATEGIC GOLD CLASS**, a corporation incorporated under the laws of the Province of Ontario, by its manager GCIC Ltd.

(each a “**Vendor**”, collectively the “**Vendors**”)

**WHEREAS** Aurizon Mines Ltd. (the “**Corporation**”) is a corporation duly incorporated, organized and subsisting under the laws of the Province of British Columbia;

**AND WHEREAS** Dynamic Precious Metals Fund is the legal and beneficial owner of an aggregate of 3,537,200 common shares (the “**Common Shares**”) in the capital of the Corporation and Dynamic Strategic Gold Class is the legal and beneficial owner of an aggregate of 1,822,200 Common Shares (collectively, the “**Subject Shares**”), all of which shares are listed and posted for trading on the Toronto Stock Exchange and the NYSE MKT;

**AND WHEREAS** the Vendors desire to sell and the Purchaser desires to purchase the Subject Shares, upon and subject to the terms and conditions hereinafter set forth;

**NOW THEREFORE**, in consideration of the premises and the covenants and agreements herein contained (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

### 1. Purchase and Sale

The Vendors, hereby sell, transfer and assign and the Purchaser hereby purchases, all of the Vendors’ right, title and interest in and to the Subject Shares free and clear of all Encumbrances (defined below) upon and subject to the terms and conditions hereof.

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## 2. Determination of Purchase Price

The aggregate purchase price (the “**Purchase Price**”) payable by the Purchaser to the Vendors for the Subject Shares shall be equal to Cdn.\$4.65 per Subject Share. The parties agree that the Purchase Price shall be satisfied by the delivery of 990,769 common shares in the capital of the Purchaser to Dynamic Precious Metals Fund and 510,398 common shares in the capital of the Purchaser to Dynamic Strategic Gold Class (collectively, the “**Consideration Shares**”), being 0.2801 Consideration Share per Subject Share.

## 3. Payment of Purchase Price

The parties agree that effective as of the date of this Agreement each of the Vendors hereby transfers to the Purchaser ownership of the Subject Shares, including, without limitation, all its beneficial interest in the Subject Shares, all rights to unpaid dividends and other distributions, whatever the record date, and all rights to vote the Subject Shares. Each of the Vendors will take all steps necessary reasonably requested by the Purchaser to ensure that the Purchaser is immediately entitled to enjoy and to exercise that interest and those rights effectively immediately.

The parties agree that effective as of the date of this Agreement the Purchaser hereby transfers to the Vendors ownership of the Consideration Shares, including, without limitation, all beneficial interest in the Consideration Shares, all rights to unpaid dividends and other distributions, whatever the record date, and all rights to vote the Consideration Shares. The Purchaser will take all steps necessary reasonably requested by the Vendors to ensure that the Vendors are immediately entitled to enjoy and to exercise that interest and those rights effectively immediately.

At Settlement (defined below),

- (a) the Purchaser shall deliver to each Vendor, certificate(s) representing all of the Consideration Shares in such manner as agreed to by the parties; and
- (b) each Vendor shall deliver to the Purchaser or, as directed by the Purchaser in writing, to an Affiliate (as such term is defined in National Instrument 45-106, *Prospectus and Registration Requirements*) of the Purchaser, certificate(s) representing all of the issued and outstanding Subject Shares, duly endorsed in blank for transfer or accompanied by duly signed powers of attorney for transfer in blank, or, if the Subject Shares are not in a certificated form, otherwise provide good title of the Subject Shares to the Purchaser in such other manner as agreed to by the parties.

## 4. Adjustment of Share Purchase Price

- (a) If at any time in the twelve-month period following the date of this Agreement any person or group of persons acting jointly or in concert, including, for the avoidance of doubt, the Purchaser, acquires all or substantially all of the assets of the Corporation and its subsidiaries, taken as a whole, or acquires all of the Common Shares (any such transaction being a “**Price Protection Transaction**”) then, within five business days following completion of the Price Protection Transaction, the Purchaser shall pay, or cause an Affiliate to pay, to each Vendor, the Adjustment Payment (as defined below), if applicable, in immediately available funds.

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- (b) The “**Adjustment Payment**” will be equal to:
- (i) if the Purchaser or any of its Affiliates or any person acting jointly or in concert with the Purchaser completes a Price Protection Transaction, an additional amount on account of each Subject Share equal to the amount by which the consideration received by the holders of the Common Shares pursuant to the Price Protection Transaction (the “**Transaction Consideration**”) exceeds the greater of Cdn.\$4.65 per Common Share and 0.2801 Consideration Share, and
  - (ii) if any other person or entity completes a Price Protection Transaction, an additional amount on account of each Subject Share that is equal to 85% of the difference between the amount by which the Transaction Consideration exceeds the greater of Cdn.\$4.65 per Common Share and 0.2801 Consideration Share.
- (c) If all or any portion of the Transaction Consideration is in the form of:
- (i) cash, the consideration shall be valued based on the face value of the cash,
  - (ii) publicly traded securities, the consideration shall be valued based on the closing price of such securities on the date of the completion of the Price Protection Transaction on the published market on which the greatest volume of trading in such securities occurred over the twenty days preceding such date,
  - (iii) securities that are not publicly traded until the date of the completion of the Price Protection Transaction, the consideration shall be valued based on the closing price of such securities on the five trading days following the completion of the Price Protection Transaction on the published market on which the greatest volume of trading in such securities occurred over such period, or
  - (iv) any other consideration, the consideration shall be valued at its fair market value as each Vendor and the Purchaser shall mutually agree, acting reasonably.
- (d) If all or any portion of the Transaction Consideration has a value expressed in a currency other than Cdn. dollars, then the value of that consideration will be expressed in Cdn. dollars based upon a conversion rate of exchange equal to the noon spot rate quoted by the Bank of Canada on the date of the completion of the Price Protection Transaction for the purchase of Cdn. dollars using the currency in which the consideration (or portion thereof) was originally denominated.
- (e) In the event of any disagreement between the parties with respect to the calculation of the Transaction Consideration, the matter will be submitted to an internationally recognized firm of chartered accountants independent of both parties and their

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Affiliates to be agreed upon by the parties. The decision of such firm of chartered accountants as to the value of the Adjustment Payment will be final and binding.

## **5. Settlement**

Each of the Vendors will deliver the Subject Shares to the Purchaser and the Purchaser shall deliver the Consideration Shares to the Vendors, in each case, as soon as possible after the date of this Agreement (the “**Settlement**”).

## **6. Standstill**

- (a) For a period of twelve months following the date of this Agreement, each Vendor shall not, without the prior written consent of the Purchaser, which consent may be given on such terms and conditions as the Purchaser may determine: (i) in any manner acquire, agree to acquire or make any proposal or offer to acquire, directly or indirectly, any unissued or outstanding securities of the Corporation or propose or offer to enter into, directly or indirectly, any amalgamation, plan of arrangement, merger or business combination involving the Corporation and its Affiliates or to purchase, directly or indirectly, all or substantially all of the assets of the Corporation and its subsidiaries, taken as a whole; (ii) directly or indirectly “solicit” or participate or join with any person in the “solicitation” of any “proxies” (as such terms are defined in the Securities Act (Ontario)) to vote, or seek to influence any person with respect to the voting of, any voting securities of the Corporation; (iii) otherwise act alone or jointly or in concert with others to seek to control or to influence the management, the board of directors or policies of the Corporation; (iv) solicit, facilitate or encourage any transaction to acquire assets of the Corporation and/or one or more of its subsidiaries representing 20% or more of the consolidated assets or contributing 20% or more of the consolidated revenue of the Corporation and its subsidiaries, taken as a whole, or acquire 20% or more of the Common Shares (an “Acquisition Transaction”) other than a transaction by the Purchaser or any of its Affiliates or any person acting jointly or in concert with the Purchaser; (v) enter into, continue or participate in any discussions or negotiations regarding an Acquisition Transaction, or furnish to any other person any information with respect to the business of the Corporation or its properties, operations, prospects or conditions (financial or otherwise) in connection with an Acquisition Transaction or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt of any other person (other than the Purchaser or any of its Affiliates or any person acting jointly or in concert with the Purchaser) to do or seek to do any of the foregoing; or (vi) advise, assist, encourage or act jointly or in concert with any other person in connection with any of the foregoing, other than the Purchaser or any of its Affiliates or any person acting jointly or in concert with the Purchaser.
- (b) For greater certainty, and notwithstanding anything else in Section 6(a), Section 6(a) shall not apply to any investment fund or product managed by GCIC Ltd., the manager of each Vendor or any of its affiliates, other than the Vendors.

## **7. Vendor’ s Representations and Warranties**

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Each Vendor represents and warrants to the Purchaser that:

- (a) Dynamic Precious Metals Fund is an open-ended trust established under the laws of the Province of Ontario;
- (b) Dynamic Strategic Gold Class is a corporation existing under the laws of the Province of Ontario;
- (c) The Vendors are the legal and beneficial owners of the Subject Shares free and clear of all liens, charges, encumbrances, hypothecs, pledges, mortgages, security interests of any nature, adverse claims, options, rights of pre-emption, and any other rights of others (collectively, “**Encumbrances**”).
- (d) Each Vendor has good and sufficient power, authority and right to enter into and deliver this Agreement and to transfer the legal and beneficial title and ownership of the Subject Shares to the Purchaser free and clear of all Encumbrances and, upon payment of the Purchase Price, the Purchaser will acquire good and valid title to the Subject Shares, free and clear of all Encumbrances.
- (e) Each Vendor is authorized to sell and transfer to the Purchaser the full legal and beneficial ownership of the Subject Shares on the terms of this Agreement without the consent of any third party.
- (f) The execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action on the part of each Vendor.
- (g) This Agreement constitutes a valid and legally binding obligation of each Vendor, enforceable against each Vendor in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors’ rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the court.
- (h) There is no contract, option or any other right of another party binding upon or which at any time in the future may become binding upon either Vendor to sell, transfer, assign, pledge, charge, mortgage or in any other way dispose of or encumber any of the Subject Shares other than pursuant to the provisions of this Agreement.
- (i) There is no outstanding voting trust, proxy or other similar agreement with respect to the voting of the Subject Shares, other than the proxy granted to the Purchaser as contemplated under the terms of this Agreement.
- (j) To each Vendor’s knowledge, neither entering into nor the delivery of this Agreement nor the completion of the transactions contemplated hereby by such Vendor will result in the violation of:
  - (i) any of the provisions of the organizational documents or by-laws of such Vendor;

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- (ii) any contract (written or oral) or other instrument to which such Vendor is a party or by which such Vendor is bound; or
  - (iii) any law, statute, rule, regulation, or any existing applicable decree, judgment, or order by any court, administrative agency, or other governmental body (collectively, “**Law**”), in respect of which such Vendor must comply.
- (k) The Vendors have not disclosed to the Purchaser any confidential or material, non-public information concerning the Common Shares or the Corporation.
  - (m) Each Vendor is knowledgeable of, or has been independently advised as to, the applicable securities laws of the jurisdiction which would apply to this subscription, if any.
  - (n) Each Vendor understands that such Vendor may not be able to resell the Consideration Shares except in accordance with limited exemptions available under applicable securities legislation and regulatory policy, and that such Vendor is solely responsible for such Vendor’s compliance with resale restrictions under applicable securities laws.
  - (o) Neither Vendor has received or been provided with any offering memorandum, or any other document (other than annual financial statements, interim financial statements or any other document (excluding offering memoranda, prospectuses or other offering documents) the content of which is prescribed by statute or regulation and which has been publicly filed on SEDAR) describing the business and affairs of the Purchaser, which has been prepared for delivery to and reviewed by prospective purchasers in order to assist them in making an investment decision in respect of the Consideration Shares.
  - (p) Each Vendor has relied solely upon publicly available information relating to the Purchaser and not upon any oral or written representation as to fact or otherwise made by or on behalf of the Purchaser.
  - (q) No person has made any written or oral representations to either Vendor that any person will resell or repurchase any of the Consideration Shares, that any person will refund the purchase price of any of the Consideration Shares or as to the future price or value of the Consideration Shares.
  - (u) The Vendors will not resell any of the Consideration Shares except in accordance with the provisions of applicable securities legislation, securities regulatory policy, and stock exchange rules.
  - (v) Each Vendor is purchasing the Consideration Shares as principal for its own account and not for the benefit of any other person, it is an “accredited investor” as defined in section 1.1 of National Instrument 45-106 Prospectus and Registration Exemptions, and is not a person that is created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of “accredited investor” in section 1.1 of National Instrument 45-106 Prospectus and Registration

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Exemptions (unless each of the shareholders of such person is an “accredited investor” under such instrument).

- (w) The Vendors acknowledge that the Consideration Shares that the certificates representing the Consideration Shares (or any certificates issued in exchange or in substitution thereof), will bear the following legends with the necessary information inserted:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [THE DATE WHICH IS FOUR MONTHS AND ONE DAY AFTER THE CLOSING DATE WILL BE INSERTED].”

and

“WITHOUT PRIOR WRITTEN APPROVAL OF THE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [THE DATE WHICH IS FOUR MONTHS AND ONE DAY AFTER THE CLOSING DATE WILL BE INSERTED].”

provided that subsequent to the date which is four months and one day after the Settlement the certificates representing the Consideration Shares may be exchanged for certificates bearing no such legends.

- (x) The Vendors acknowledge and consent to the Purchaser collecting personal information relating to the Vendors for the purpose of completing this Agreement. The Vendors acknowledge and consent to the Purchaser retaining such personal information for as long as permitted or required by law or business practices. The Vendors further acknowledge and consent to the fact that the Purchaser may be required by Canadian securities laws, the rules and policies of the Toronto Stock Exchange or of any applicable stock exchange to provide regulatory authorities with any personal information provided by the Vendors in this Agreement. Specifically, such consent shall extend to the collection, use and disclosure of personal information by the Toronto Stock Exchange for the following purposes, or as otherwise described or identified by the Toronto Stock Exchange from time to time:
- (i) to conduct background checks;
  - (ii) to verify the personal information that has been provided about each individual;
  - (iii) to consider the suitability of the individual to act as an officer, director, insider, promoter, investor relations provider or, as applicable, an employee or consultant, of the Purchaser or the applicant;
  - (iv) to consider the eligibility of the Purchaser or the applicant to list on the Toronto Stock Exchange;

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- (v) to provide disclosure to market participants as to the security holdings of directors, officers, other insiders and promoters of the Purchaser, or its associates or affiliates;
  - (vi) to conduct enforcement proceedings; and
  - (vii) to perform other investigations as required by and to ensure compliance with all applicable rules, policies, rulings and regulations of the Toronto Stock Exchange, securities legislation and other legal and regulatory requirements governing the conduct and protection of the public markets in Canada.
- (y) The Vendors have been advised that the Toronto Stock Exchange also collects additional personal information from other sources, including but not limited to, securities regulatory authorities in Canada or elsewhere, investigative, law enforcement or self-regulatory organizations, regulations services providers and each of their subsidiaries, affiliates, regulators and authorized agents, to ensure that the purposes set out above can be accomplished. The personal information the Toronto Stock Exchange collects may also be disclosed to such agencies and organizations, or as otherwise permitted or required by law, and they may use it in their own investigations for the purposes described above and may also be disclosed on the website of the Toronto Stock Exchange or through printed materials published by or pursuant to the directions of the Toronto Stock Exchange. The Toronto Stock Exchange may from time to time use third parties to process information and/or provide other administrative services and in this regard, may share the information with such third party service providers. Each Vendor represents and warrants that such Vendor has the authority to provide the consents and acknowledgements set out in this paragraph on behalf of each beneficial purchaser for whom such Vendor is contracting hereunder.
- (z) The Vendors acknowledge that they have been notified:
- (i) of the delivery to the OSC of information with respect to each Vendor' s full name, residential address (or head office) and telephone number, the number and type of securities received, the total value of such securities, the prospectus exemption relied upon by the Purchaser and the date of distribution (collectively the “**Vendor Information**”);
  - (ii) that the Vendor Information is being collected indirectly by the OSC under the authority granted to it by the securities laws of Ontario;
  - (iii) that the Vendor Information is being collected for the purposes of the administration and enforcement of the Securities Laws of Ontario;
  - (iv) that the Administrative Assistant to the Director of Corporate Finance of the OSC can be contacted at Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8 or at (416) 593-8086 regarding any questions about the OSC' s indirect collection of the Vendor Information; and



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- (v) the Vendors authorize the indirect collection of the Vendor Information by the OSC.

The representations and warranties of the Vendors set forth in this Section 7 will survive the Settlement.

## **8. Purchaser's Representations and Warranties**

The Purchaser represents and warrants to the Vendors that:

- (a) The Purchaser is a corporation duly incorporated, organized and subsisting under the laws of the Province of British Columbia.
- (b) The Purchaser has good and sufficient power, authority and right to enter into and deliver this Agreement and to complete the transactions contemplated by this Agreement.
- (c) The execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action on the part of the Purchaser.
- (d) This Agreement constitutes a valid and legally binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the court.
- (e) To the Purchaser's knowledge, neither the entering into nor the delivery of this Agreement nor the completion of the transactions contemplated hereby by the Purchaser will result in a violation of:
  - (i) any of the provisions of the organizational documents or by-laws of the Purchaser;
  - (ii) any contract (written or oral) or other instrument to which the Purchaser is a party or by which the Purchaser is bound;  
or
  - (iii) any applicable Law in respect of which the Purchaser must comply.
- (f) The Purchaser has had the opportunity to seek independent legal and/or tax advice in connection with the purchase of the Subject Shares and has conducted its own due diligence with respect to the merits of the purchase of the Subject Shares.
- (g) The Purchaser has not provided the Vendors with any confidential or material, non-public information concerning the Subject Shares or the Corporation.
- (h) As of the date hereof, no actions or filings are required to be made by the Purchaser in respect of this Agreement other than as required under the applicable securities laws.

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- (i) The Purchaser is duly registered and licenced to carry on business in the jurisdictions in which it carries on business or owns property where so required by the laws of that jurisdiction and is not otherwise precluded from carrying on business or owning property in such jurisdictions by any other commitment, agreement or document.
  - (j) As of January 9, 2013, the authorized capital of the Purchaser consists of an unlimited number of common shares, of which 120,871,408 common shares are issued and outstanding as fully paid and non-assessable.
  - (k) The Purchaser will reserve or set aside sufficient shares in its treasury to issue the Consideration Shares, and all such shares will be duly and validly issued as fully paid and non-assessable.
  - (l) The Purchaser is the legal and beneficial owner of and has good and marketable title to its material properties, business and assets and all material agreements by which the Purchaser holds an interest in a property, business or assets are in good standing according to their terms and the properties are in good standing under the applicable laws of the jurisdictions in which they are situated and all filings and work commitments required to maintain the properties in good standing have been properly recorded and filed in a timely manner with the appropriate regulatory body.
  - (m) The Purchaser has complied and will comply fully with the requirements of all applicable corporate and securities laws and administrative policies and directions in connection with the transactions contemplated by this Agreement.
  - (n) The Purchaser is in all compliance with all applicable laws, regulations and statutes (including all environmental laws and regulations) in the jurisdictions in which it carries on business and which may materially affect the Purchaser, has not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, regulations and statutes, and is not aware of any pending change or contemplated change to any applicable law or regulation or governmental position that would materially affect the business of the Purchaser or the business or legal environment under which the Purchaser operates.
  - (o) The Purchaser is not a party to any actions, suits or proceedings which could materially affect its business or financial condition, and to the best of the Purchaser's knowledge no such actions, suits or proceedings are contemplated or have been threatened.
  - (p) There are no judgments against the Purchaser which are unsatisfied, nor are there any consent decrees or injunctions to which the Purchaser is subject.
  - (q) The Purchaser is a "reporting issuer" within the meaning of the applicable securities laws and is not in default of any of the requirements of the applicable securities laws or any of the administrative policies or notices of applicable securities regulatory authorities.

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- (r) No order ceasing or halting trading in securities of the Purchaser nor prohibiting the sale of such securities has been issued to and is outstanding against the Purchaser or its directors, officers or promoters or against any other companies that have common directors, officers or promoters and no investigations or proceedings for such purposes are pending or threatened.

The representations and warranties of the Purchaser set forth in this Section 8 will survive the Settlement.

## 9. Obligation to File a Prospectus

- (a) In this section,
- (i) “**Commissions**” means the securities commissions or other securities regulatory authorities in each of the provinces of Canada;
  - (ii) “**misrepresentation**” means (i) an untrue statement of material fact, or (ii) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made;
  - (iii) “**Qualification**” means the qualification of securities under the Securities Laws so as to permit the distribution of such securities to the public in applicable provinces and territories of Canada subject to the limitations contained herein; and
  - (iv) “**Securities Laws**” means the applicable securities legislation of each of the provinces and territories of Canada, as well as the applicable federal and state securities legislation of the United States, and all published rules, regulations, instruments, policy statements, orders, rulings, communiqués and interpretation notes issued thereunder or in relation thereto, as the same may hereafter be amended or replaced.
- (b) Subject to the provisions hereof, the Purchaser hereby agrees to forthwith, and in any event within fifteen (15) days of the Settlement, prepare and file in the English and French language, in one or more Canadian jurisdictions (as determined by the Purchaser after consultation with all selling shareholders named therein) a preliminary prospectus (“**Preliminary Prospectus**”) under and in compliance with the Securities Laws of each Canadian jurisdiction in which the Preliminary Prospectus is filed and such other related documents as may be reasonably necessary to be filed in connection with the Preliminary Prospectus and shall, as soon as possible after any comments of the Commissions have been satisfied with respect thereto, prepare and file under and in compliance with Securities Laws a final prospectus (“**Final Prospectus**”) in the English and French language and use commercially reasonable efforts to cause a receipt to be issued for such Final Prospectus as soon as possible and shall take all other steps and proceedings that may be reasonably necessary in order to permit the Qualification of the Consideration Shares for distribution by registrants who comply with the relevant provisions of the

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Securities Laws. The Purchaser shall obtain the written approval of the Vendors prior to the filing of the Preliminary Prospectus and Final Prospectus, and any other documents filed with the Commissions in connection with the Qualification, prior to filing with the Commissions.

(c) Furthermore, the Purchaser will:

- (i) use commercially reasonable efforts to prepare and file with the applicable Commissions in the Canadian jurisdictions in which the Final Prospectus is filed such amendments and supplements to such Preliminary Prospectus and Final Prospectus, as may be reasonably necessary to comply with the provisions of the applicable Securities Laws with respect to the Qualification of the Consideration Shares, and take such steps as are reasonably necessary to maintain the effectiveness of the Preliminary Prospectus and Final Prospectus until the time at which the distribution of the Consideration Shares is completed (but such requirement will only extend for a maximum period of four months from the date of Settlement (the “**Distribution Period**”));
- (ii) as expeditiously as possible following actual knowledge by the Purchaser thereof, notify the Vendors of the happening of any event during the Distribution Period as a result of which the Preliminary Prospectus and Final Prospectus, as then in effect, would include a misrepresentation (insofar as such misrepresentation relates to or was made by the Purchaser);
- (iii) in the event of the issuance of any order or ruling suspending the effectiveness of a prospectus receipt or any order suspending or preventing the use of any prospectus or suspending the Qualification of any of the Consideration Shares by such prospectus in any applicable province of Canada, the Purchaser will, as expeditiously as possible after actual knowledge by the Purchaser thereof, notify the Vendors of such event and use its commercially reasonable efforts promptly to obtain the withdrawal of such order or ruling; and
- (iv) be responsible for its own costs and the costs of its counsel in connection with the preparation of the preliminary and final prospectus and its other obligations set out in this section 9 and any filing fees associated with the filing of the preliminary or final prospectus or any other document related thereto (the “**Purchaser Paid Expenses**”).

(d) In connection with the foregoing, each Vendor shall:

- (i) provide, in writing, such information with respect to such Vendor including the number of securities of the Purchaser held by such Vendor as may be required by the Purchaser to comply with the applicable Securities Laws in each jurisdiction in which the prospectus is to be filed;

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- (ii) if required under applicable Securities Laws, execute any certificate forming part of a preliminary prospectus or final prospectus or similar document to be filed with the applicable Commissions;
  - (iii) immediately notify the Purchaser of the happening of any event during the Distribution Period, as a result of which the Preliminary Prospectus or Final Prospectus as in effect, would include a misrepresentation insofar as such misrepresentation relates to such Vendor or relates to information provided by such Vendor to the Purchaser in writing for inclusion in the Preliminary Prospectus or Final Prospectus;
  - (iv) comply with all applicable published policies, rules and regulations of the applicable Commissions and any stock exchange and over-the-counter market on which the common shares of the Purchaser are then listed or quoted and to otherwise comply with applicable Securities Laws;
  - (v) not deliver or permit to be delivered any prospectus in respect of such sale without the prior written consent of the Vendor, which consent will remain effective for the business day on which it is given only; and
  - (vi) except for the Purchaser Paid Expenses, will be responsible for the payment of all of its own fees and expenses incurred in connection herewith, including without limitation, all underwriting commissions and fees payable in respect of the sale of the Consideration Shares.

(e) *Indemnification*

- (i) *By Purchaser.* The Purchaser agrees to indemnify, to the extent permitted by law, the Vendors and each person who participates as an underwriter in the offering or sale of the Consideration Shares, their respective directors, officers, employees and agents and each Person who controls such underwriter (within the meaning of any applicable Securities Laws) against all losses (excluding loss of profits), claims, damages, liabilities and expenses arising out of or based upon: (i) any information or statement contained in the preliminary prospectus, final prospectus, or any filing made in connection therewith or any amendment thereto which at the time and in light of the circumstances under which it was made contains a misrepresentation; (ii) any order made or inquiry, investigation or proceedings commenced or threatened by any applicable Commission, court or other competent authority based upon any misrepresentation in the preliminary prospectus, the final prospectus, or any amendment thereto or based upon any failure to comply with applicable Securities Laws (other than any failure to comply with applicable Securities Laws by the Vendors or the underwriter or underwriters); and (iii) non-compliance by the Purchaser with any of the Securities Laws in connection with the qualification and the distribution effected thereunder, except in the case of any of the foregoing insofar as (A) any information or statement referred to in clause (i) or (ii) of this subsection

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9(e)(i) has been furnished to the Purchaser by the Vendors or the underwriter or underwriters expressly for use therein pursuant to subsection 9(d)(i); (B) caused by the Vendors or any underwriter's failure to deliver to a purchaser of Consideration Shares, a copy of the prospectus or any amendments or supplements thereto or to otherwise comply with applicable Securities Laws; (C) the completion of any sale in contravention of the Vendors' obligation to obtain the Purchaser's prior written approval; or (D) any amounts paid in settlement of any claim have been paid if such settlement is effected without the prior written consent of the Purchaser, which consent shall not be unreasonably withheld or delayed.

- (ii) *Procedure.* Any Person entitled to indemnification hereunder will (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel satisfactory to the indemnified party, acting reasonably. If such defense is assumed, the indemnifying party will not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent will not be unreasonably withheld). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim will not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim. No indemnifying party may settle any claims without the express written consent of an indemnified party (such consent not to be unreasonably withheld where such consent does not contain any admission of liability).
- (iii) *Survival; Contribution.* The indemnification provided for under this Agreement will survive the expiry of this Agreement and will remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling Person of such indemnified party and will survive any transfer of securities pursuant thereto. In the event the indemnification is unavailable in whole or in part for any reason under this section 9(e), the Purchaser and such Vendor shall contribute to the aggregate of all losses, claims, damages, liabilities and expenses in such proportion as is appropriate to reflect the relative fault of the Purchaser and such Vendor in connection with the event giving rise to liability.
- (iv) *Purchaser is Trustee.* Each Vendor hereby acknowledges and agrees that, with respect to this Section 9(e), the Purchaser is contracting on its own behalf and as agent for the other indemnified persons referred to in Section 9(e)(ii). In this regard, the Purchaser will act as trustee for such indemnified

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persons of the covenants of each Vendor under this Section 9(e) with respect to such indemnified persons and accepts these trusts and will hold and enforce those covenants on behalf of such indemnified persons.

## **10. Confidentiality**

Except to the extent required by Law, rules or securities policies, including the rules or policies of any relevant stock exchange, (i) no public announcement or news release concerning the matters provided for in this Agreement may be made by the Purchaser without each Vendor's prior written consent and (ii) no copy of this Agreement may be provided by the Purchaser to any person (except to its Affiliates, and their respective directors, officers, employees, advisors or lenders (collectively, "**Purchaser Representatives**")) without each Vendor's prior consent. The Purchaser shall be entitled to disclose confidential information only to those Purchaser Representatives who, in all cases, need to know such confidential information, directed to hold such information in the strictest of confidence and agree and undertake to maintain the confidential nature of such confidential information and act in accordance with the terms of this provision. To the extent that the Purchaser must make the contents of this Agreement public under the terms of applicable Laws, the Purchaser agrees to omit or censor, in consultation with each Vendor, acting reasonably, any information that would be prejudicial to the interests of the Vendors or the Purchaser, to the extent permitted pursuant to applicable Laws.

The Purchaser hereby consents and agrees to be responsible for any breach of this Section 9 by Purchaser Representatives, whether or not they agree in writing to be bound by its terms.

## **11. Statutory References**

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulation made thereunder.

## **12. Headings**

The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement. The terms "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Sections are to Sections of this Agreement.

## **13. Currency**

Unless stated otherwise in this Agreement, all references in this Agreement to sums of money are expressed in, and all payments provided for herein shall be made in Canadian dollars, and "\$" refers to Canadian dollars.

## **14. Further Assurances**

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Each of the Vendors and the Purchaser will promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further documents and instruments and do all acts and things as the other party may, either before or after the Settlement, reasonably required to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement. If required by applicable securities Laws, each of the Vendors and the Purchaser will execute, deliver and file or assist the other party in filing such reports, undertakings and other documents with respect to the sale of the Securities as may be reasonably required by any securities commission, stock exchange or other regulatory authority.

#### **15. Entire Agreement**

This Agreement, including the Schedules attached hereto, sets forth the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes any and all prior discussions, negotiations, letters of intent or agreements in principle between them.

#### **16. Binding Effect; No Third Party Beneficiaries**

This Agreement shall be binding upon and shall inure to the exclusive benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and permitted assigns and nothing herein, express or implied, is intended to, nor shall it, confer in any other person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

#### **17. Amendment**

No amendment to this Agreement may be made unless agreed to by the parties hereto in writing.

#### **18. Assignability**

No party hereto shall sell, pledge, assign or otherwise transfer its rights under this Agreement without the prior written consent of the other parties and any attempt to do so shall be void, except that the Purchaser may assign or transfer its rights under this Agreement to any Affiliate of the Purchaser without each Vendor' s consent.

#### **19. Waiver**

No failure or delay by the Purchaser or the Vendors in exercising any right hereunder or any partial exercise thereof shall operate as a waiver thereof or preclude any other or further exercise of any right hereunder, nor shall any waiver constitute a continuing waiver unless otherwise expressly provided.

#### **20. Governing Law**

This Agreement is and shall be deemed to be a contract entered into and made pursuant to the laws of the Province of Ontario and the laws of Canada applicable therein and shall in all respects be governed, construed, applied and enforced in accordance with said laws, without reference to applicable conflict of laws rules or principles.



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**21. Time of the Essence**

Time is of the essence in this Agreement.

**22. Counterparts**

This Agreement may be executed in counterparts, each of which will be deemed to be an original and both of which taken together will be deemed to constitute one and the same instrument.

**23. Electronic Delivery**

Delivery of an executed signature page to this Agreement by either party by facsimile or by PDF via electronic transmission will be as effective as delivery of a manually executed copy of the Agreement by such party.

**23. Expenses**

All costs and expenses incurred in connection with this Agreement and each other agreement, document and instrument contemplated by this Agreement and the transactions contemplated hereby and thereby shall be paid by the party incurring such costs and expenses, whether or not the Settlement shall have occurred.

**24. Notices**

All notices, requests, consents, claims, demands, waivers and other communications under this Agreement shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 24):

If to the Purchaser: Alamos Gold Inc.  
130 Adelaide Street West  
Toronto, Ontario  
M5H 3P5  
Facsimile: (416) 368-2934  
E-mail: [mhoworth@alamosgold.com](mailto:mhoworth@alamosgold.com)  
Attention: Matthew Howorth, Vice-President, Legal

with a copy to: Torys LLP  
79 Wellington Street West, Suite 3000  
Toronto, Ontario  
M4L 3Y7

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Facsimile: (416) 865-7380  
E-mail: kmorris@torys.com  
Attention: Kevin Morris

If to the Vendors: GCIC Ltd., manager of Dynamic Precious Metals Fund and Dynamic Strategic Gold Class  
1 Adelaide Street East  
Toronto, Ontario  
M5C 2V9  
Facsimile: 416.865.3463  
E-mail: JPereira@dundewealth.com  
Attention: John Pereira, Chief Financial Officer

with a copy to: Roxana Tavana  
Head of Legal, Global Asset Management  
Facsimile: 416.865.3463  
E-mail: rtavana@dynamic.ca

## **25. Severability**

If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

## **26. Waiver**

No waiver by any party of any of the provisions of this Agreement shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

## **27. Equitable Remedies**

Each party hereto acknowledges that a breach or threatened breach by such party of any of its obligations under this Agreement would give rise to irreparable harm to the other party for which monetary damages would not be an adequate remedy and hereby agrees that in the event of a breach or a threatened breach by such party of any such obligations, the other party hereto shall, in addition to any and all other rights and remedies that may be available to it in respect of such breach, be

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entitled to equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction (without any requirement to post bond).

**28. Successors and Assigns**

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors and permitted assigns.

**29. No Third-Party Beneficiaries**

This Agreement is for the sole benefit of the parties to this Agreement and their respective permitted successors and permitted assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

**30. Waiver of Jury Trial**

Each party acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Agreement or the transactions contemplated hereby.

[Remainder of page left intentionally blank]

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IN WITNESS WHEREOF the parties have executed this Agreement.

**ALAMOS GOLD INC.**

By: /s/ Jamie Porter

Name: Jamie Porter

Title: Chief Financial Officer

By: /s/ Matthew Howorth

Name: Matthew Howorth

Title: Vice President, Legal

**DYNAMIC PRECIOUS METALS  
FUND, by its manager, GCIC LTD.**

By: /s/ Jeff Cairns

Name: Jeff Cairns

Title: Director, Compliance

By: /s/ Robert Cohen

Name: Robert Cohen

Title: Vice President and Portfolio Manager

**DYNAMIC STRATEGIC GOLD  
CLASS, by its manager, GCIC LTD.**

By: /s/ Jeff Cairns

Name: Jeff Cairns

Title: Director, Compliance

By: /s/ Robert Cohen

Name: Robert Cohen

Title: Vice President and Portfolio Manager

**SHARE PURCHASE AGREEMENT**

**BETWEEN**

**VAN ECK ASSOCIATES CORPORATION**

**AND**

**ALAMOS GOLD INC.**

**MADE AS OF**

**JANUARY 11, 2013**

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## SHARE PURCHASE AGREEMENT

THIS AGREEMENT (this “Agreement”) is made as of January 11, 2013

### BETWEEN

**Van Eck Associates Corporation**, a corporation incorporated under the laws of the State of Delaware (the “Vendor”),

- and -

**Alamos Gold Inc.**, a corporation incorporated under the laws of the Province of British Columbia (the “Purchaser”)

**WHEREAS** Aurizon Mines Ltd. (the “Corporation”) is a corporation duly incorporated, organized and subsisting under the laws of the Province of British Columbia;

**AND WHEREAS** the Vendor is an investment manager, having investment authority over certain actively managed accounts (the “Accounts”) that collectively hold 5,009,100 common shares (the “Common Shares”) in the capital of the Corporation (the “Subject Shares”), all of which Subject Shares are listed and posted for trading on the Toronto Stock Exchange (the “TSX”) and the NYSE MKT;

**AND WHEREAS** the Purchaser is a reporting issuer in all provinces and territories of Canada and the common shares in the capital of the Purchaser are listed and posting for trading on the TSX;

**AND WHEREAS** the Vendor desires to sell, on behalf of the Accounts, and the Purchaser desires to purchase the Subject Shares, upon and subject to the terms and conditions hereinafter set forth;

**NOW THEREFORE**, in consideration of the premises and the covenants and agreements herein contained (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

### 1. Purchase and Sale

The Vendor, on behalf of the Accounts, hereby sells, transfers and assigns and the Purchaser hereby purchases, all of the Vendor's and the Accounts' right, title and interest in and to the Subject Shares free and clear of all Encumbrances (as defined below) upon and subject to the terms and conditions hereof.

### 2. Determination of Purchase Price

Subject to any adjustment pursuant to Section 4, the aggregate purchase price (the “Purchase Price”) payable by the Purchaser to the Vendor, on behalf of the Accounts, for the Subject Shares shall be equal to Cdn.\$4.65 per Subject Share for a Purchase Price of Cdn.\$23,292,315. The parties agree that the Purchase Price shall be satisfied by the delivery of

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1,403,048 common shares in the capital of the Purchaser (the “**Consideration Shares**”), being 0.2801 Consideration Share per Subject Share.

### 3. Payment of Purchase Price

The parties to this Agreement agree that as of the date of this Agreement (i) the Vendor shall receive good title to the Consideration Shares and (ii) the Vendor shall transfer good title to the Subject Shares to the Purchaser.

At the Closing (as defined below),

- (a) the Purchaser shall deliver to the Vendor, on behalf of the Accounts, certificates representing all of the Consideration Shares as directed by the Vendor; and
- (b) the Vendor, on behalf of the Accounts, shall deliver to the Purchaser or, as directed by the Purchaser in writing, to an Affiliate (for the purposes of this Agreement, such term shall have the meaning given to it in National Instrument 45-106 - *Prospectus and Registration Requirements* (“**NI 45-106**”)) of the Purchaser, certificate(s) representing the Subject Shares, duly endorsed in blank for transfer or accompanied by duly signed powers of attorney for transfer in blank or, if the Subject Shares are not in a certificated form, otherwise provide good title to the Subject Shares to the Purchaser in such other manner as agreed to by the parties.

### 4. Adjustment of Share Purchase Price

- (a) If at any time in the twelve-month period following the date of this Agreement, any person or group of persons acting jointly or in concert, including, for the avoidance of doubt, the Purchaser acquires all or substantially all of the assets of the Corporation and its subsidiaries, taken as a whole, or acquires all of the Common Shares (any such transaction being, a “**Price Protection Transaction**”) then, within five business days following completion of a Price Protection Transaction, the Purchaser shall promptly pay, or cause an Affiliate to pay, to the Vendor the Adjustment Payment (as defined below) in immediately available funds.
- (b) The “**Adjustment Payment**” will be equal to:
  - (i) if the Purchaser or any of its Affiliates or any person jointly or in concert with the Purchaser completes a Price Protection Transaction, an additional amount on account of each Subject Share equal to the amount by which the consideration received by the holders of the Common Shares pursuant to such Price Protection Transaction (the “**Transaction Consideration**”) exceeds the greater of Cdn.\$4.65 per Common Share and 0.2801 Consideration Share, and

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- (ii) if any other person or entity completes a Price Protection Transaction, an additional amount on account of each Subject Share that is equal to 85% of the difference between the amount by which the Transaction Consideration exceeds the greater of Cdn.\$4.65 per Common Share and 0.2801 Consideration Share.
    - (iii) For the avoidance of doubt, where a Price Protection Transaction is an acquisition of all or substantially all of the assets of the Corporation and its subsidiaries, taken as a whole, the Transaction Consideration payable in connection with such Price Protection Transaction shall be deemed to have been distributed equally to all the holders of the Common Shares. For illustration purposes only, if all or substantially all of the assets of the Corporation are acquired for Cdn.\$100,000,000 and at the time of such acquisition 1,000,000 Common Shares are issued and outstanding, the Transaction Consideration will equal Cdn.\$100 per Common Share.
  - (c) If all or any portion of the Transaction Consideration is in the form of:
    - (i) cash, the consideration shall be valued based on the face value of the cash,
    - (ii) publicly traded securities, the consideration shall be valued based on the closing price of such securities on the date of the completion of the Price Protection Transaction on the published market on which the greatest volume of trading in such securities occurred over the 20 days preceding such date,
    - (iii) securities that are not publicly traded until the date of the completion of the Price Protection Transaction, the consideration shall be valued based on the closing price of such securities on the five trading days following the completion of the Price Protection Transaction on the published market on which the greatest volume of trading in such securities occurred over such period, or
    - (iv) any other consideration, the consideration shall be valued at its fair market value as the Vendor and the Purchaser shall mutually agree, acting reasonably.
  - (d) If all or any portion of the Transaction Consideration has a value expressed in a currency other than Cdn. dollars, then the value of that consideration will be expressed in Cdn. dollars based upon a conversion rate of exchange equal to the noon spot rate quoted by the Bank of Canada on the date of the completion of the Price Protection Transaction for the purchase of Cdn. dollars using the currency in which the consideration (or portion thereof) was originally denominated.
  - (e) In the event of any disagreement between the parties with respect to the calculation of the Transaction Consideration, the matter will be submitted to an internationally recognized firm of chartered accountants independent of both parties and their Affiliates to be agreed upon by the parties. The decision of such



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firm of chartered accountants as to the value of the Adjustment Payment will be final and binding. The fees and expenses of such firm of chartered accountants shall be borne solely by the Purchaser.

## **5. Closing**

The Vendor will deliver the Subject Shares to the Purchaser pursuant to Section 3(b) immediately upon receipt by the Vendor of the Consideration Shares pursuant to Section 3(a) (the “**Closing**”).

## **6. Vendor’s Representations and Warranties**

The Vendor represents and warrants to the Purchaser that:

- (a) The Vendor is a corporation existing under the laws of the State of Delaware;
- (b) The Vendor is the legal, and the Accounts are the beneficial, owner of the Subject Shares free and clear of all liens, charges, encumbrances, hypothecs, pledges, mortgages, security interests of any nature, adverse claims, options, rights of pre-emption, and any other rights of others (collectively, “**Encumbrances**”).
- (c) The Vendor has good and sufficient power, authority and right to enter into and deliver this Agreement and to transfer the legal and beneficial title and ownership of the Subject Shares on behalf of the Accounts to the Purchaser free and clear of all Encumbrances and, upon payment of the Purchase Price, the Purchaser will acquire good and valid title to the Subject Shares, free and clear of all Encumbrances.
- (d) The execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action on the part of the Vendor.
- (e) This Agreement constitutes a valid and legally binding obligation of the Vendor, enforceable against the Vendor in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors’ rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the court.
- (f) There is no contract, option or any other right of another party binding upon or which at any time in the future may become binding upon the Vendor to sell, transfer, assign, pledge, charge, mortgage or in any other way dispose of or encumber any of the Subject Shares other than pursuant to the provisions of this Agreement.
- (g) There is no outstanding voting trust, proxy or other similar agreement with respect to the voting of the Subject Shares.

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- (h) To the Vendor's knowledge, neither entering into nor the delivery of this Agreement nor the completion of the transactions contemplated hereby by the Vendor will result in the violation of:
- (i) any of the provisions of the organizational documents or by-laws of the Vendor;
  - (ii) any contract (written or oral) or other instrument to which the Vendor is a party or by which the Vendor is bound; or
  - (iii) any law, statute, rule, regulation, or any existing applicable decree, judgment, or order by any court, administrative agency, or other governmental body (collectively, "**Law**"), in respect of which the Vendor must comply.
- (i) The Vendor has not disclosed to the Purchaser any confidential or material, non-public information concerning the Common Shares or the Corporation.
- (j) The Vendor is permitted to purchase and hold the Consideration Shares on behalf of the Accounts pursuant to exemptions from any prospectus, financial promotion or registration requirements under applicable securities legislation or the Vendor is permitted to purchase and hold the Consideration Shares on behalf of the Accounts under applicable securities laws without the need to rely on exemptions.
- (k) The Vendor understands that the Vendor may not be able to resell the Consideration Shares except in accordance with limited exemptions available under applicable securities legislation, and that the Vendor is solely responsible for the Vendor's compliance with applicable securities resale restrictions.
- (l) The Vendor has not received or been provided with any offering memorandum, or any other document (other than annual financial statements, interim financial statements or any other document (excluding offering memoranda, prospectuses or other offering documents) the content of which is prescribed by statute or regulation and which has been publicly filed on SEDAR) describing the business and affairs of the Purchaser that has been prepared for delivery to and reviewed by it in order to assist it in making an investment decision in respect of the Consideration Shares.
- (m) With the exception of the representations and warranties of the Purchaser set out in Section 7 of this Agreement, the Vendor has relied solely upon publicly available information relating to the Purchaser and not upon any oral or written representation as to fact or otherwise made by or on behalf of the Purchaser.
- (n) No person has made any written or oral representations to the Vendor that any person will resell or repurchase any of the Consideration Shares, that any person will refund the purchase price of any of the Consideration Shares or as to the future price or value of the Consideration Shares.

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- (o) The Vendor will not resell any of the Consideration Shares except in accordance with applicable securities legislation and stock exchange rules.
- (p) The Vendor is an institutional “accredited investor” that satisfies one or more of the criteria set forth in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the United States Securities Act of 1933, as amended (the “**1933 Act**”) (hereinafter referred to as an “**Institutional Accredited Investor**”), and is purchasing the Consideration Shares for investment purposes only for its own account or for the account of one or more Institutional Accredited Investors with respect to which it exercises sole investment discretion, and not with a view to any resale, distribution or other disposition of Consideration Shares in violation of United States federal or state securities laws.
- (q) The Vendor has not become aware of any advertisement in printed media of general and regular paid circulation or on radio, television or other form of telecommunication or any other form of advertisement (including electronic display or the Internet) or sales literature with respect to the distribution of the Consideration Shares and the Vendor has not purchased the Consideration Shares as a result of any “general solicitation” or “general advertising” (as those terms are used in Regulation D under the 1933 Act).
- (r) The Vendor understands and acknowledges that Consideration Shares have not been and will not be registered under the 1933 Act or the securities laws of any state of the United States, and will, therefore, be “restricted securities” within the meaning of Rule 144 under the 1933 Act, and that the offer and sale of the Consideration Shares to it will be made in reliance upon an exemption from registration available to the Purchaser for offers and sales to Institutional Accredited Investors.
- (s) The Vendor understands and acknowledges until such time as Consideration Shares are no longer required under applicable requirements of the 1933 Act or applicable state securities laws, certificates representing such Consideration Shares, and all certificates issued in exchange therefor or in substitution thereof, shall bear the following legend:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “1933 ACT”), OR THE LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF ALAMOS GOLD INC. (THE “CORPORATION”) THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT

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AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT PROVIDED BY (1) RULE 144 THEREUNDER, IF AVAILABLE, OR (2) RULE 144A THEREUNDER, IF AVAILABLE, AND, IN BOTH CASES, IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF (C)(1) AND (D) ABOVE, AFTER THE SELLER FURNISHES TO THE CORPORATION AND THE CORPORATION'S TRANSFER AGENT AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION TO SUCH EFFECT."

provided, that if, at the time the Purchaser is a "foreign issuer" as defined in Regulation S, such securities are being sold in accordance with the requirements of Rule 904 of Regulation S under the 1933 Act, as referred to above, and in compliance with local laws and regulations, the legend may be removed by providing a declaration to the Purchaser's applicable transfer agent for such securities, in the form attached hereto as Schedule A (or as the Purchaser may prescribe from time to time); notwithstanding the foregoing, the Purchaser's applicable transfer agent may impose additional requirements for the removal of legends from securities sold in accordance with Rule 904 of Regulation S under the 1933 Act in the future; provided further, that, if any Consideration Shares are being sold pursuant to Rule 144 under the 1933 Act, the legend may be removed by delivery to the Purchaser and the Purchaser's applicable transfer agent of an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Purchaser to the effect that the legend is no longer required under applicable requirements of the 1933 Act or state securities laws.

- (t) The Vendor is acquiring the Consideration Shares for the benefit of the Accounts, without a view to, or for a resale in connection with, any distribution thereof and with no present intention of distributing or reselling any part thereof. The Vendor was not created or used solely to purchase or hold the Consideration Shares. The Vendor is resident in the United States and all acts of solicitation, conduct or negotiations directly or indirectly in furtherance of the purchase of the Consideration Shares occurred outside of Canada (except in Ontario).
- (u) The Vendor is an "accredited investor" as defined in section 1.1 of NI 45-106, and is not a person that is created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in section 1.1 of NI 45-106 (unless each of the shareholders of such person is an "accredited investor" under such instrument).

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- (v) The Vendor acknowledges that the certificates representing the Consideration Shares (or any certificates issued in exchange or in substitution thereof), will bear the following legends with the necessary information inserted:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [THE DATE WHICH IS FOUR MONTHS AND ONE DAY AFTER THE CLOSING DATE WILL BE INSERTED].”

and

“WITHOUT PRIOR WRITTEN APPROVAL OF THE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [THE DATE WHICH IS FOUR MONTHS AND ONE DAY AFTER THE CLOSING DATE WILL BE INSERTED].”

provided that subsequent to the date which is four months and one day after the Closing the certificates representing the Consideration Shares may be exchanged for certificates bearing no such legends.

- (u) The Vendor acknowledges that it has been notified:
- (i) of the delivery to the OSC of information with respect to the Vendor's full name, residential address (or head office) and telephone number, the number and type of securities received, the total value of such securities, the prospectus exemption relied upon by the Purchaser and the date of distribution (collectively the “Vendor Information”);
  - (ii) that the Vendor Information is being collected indirectly by the OSC under the authority granted to it by the securities laws of Ontario;
  - (iii) that the Vendor Information is being collected for the purposes of the administration and enforcement of the Securities Laws of Ontario;
  - (iv) that the Administrative Assistant to the Director of Corporate Finance of the OSC can be contacted at Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8 or at (416) 593-8086 regarding any questions about the OSC's indirect collection of the Vendor Information; and
  - (v) the Vendor authorizes the indirect collection of the Vendor Information by the OSC.

The representations and warranties of the Vendor set forth in this Section 6 will survive the Closing.

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## 7. Purchaser' s Representations, Warranties and Covenants

The Purchaser represents, warrants and covenants to the Vendor that:

- (a) The Purchaser is a corporation duly incorporated, organized and subsisting under the laws of the Province of British Columbia.
- (b) The Purchaser has good and sufficient power, authority and right to enter into and deliver this Agreement and to complete the transactions contemplated by this Agreement.
- (c) The execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action on the part of the Purchaser.
- (d) This Agreement constitutes a valid and legally binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the court.
- (e) To the Purchaser' s knowledge, neither the entering into nor the delivery of this Agreement nor the completion of the transactions contemplated hereby by the Purchaser will result in a violation of:
  - (i) any of the provisions of the organizational documents or by-laws of the Purchaser;
  - (ii) any contract (written or oral) or other instrument to which the Purchaser is a party or by which the Purchaser is bound;  
or
  - (iii) any applicable Law in respect of which the Purchaser must comply.
- (f) The authorized capital of the Purchaser consists of an unlimited number of common shares, of which at this date 120,871,408 common shares are issued and are outstanding as fully paid and non-assessable. As of the date of this Agreement, the Purchaser has 4,660,300 issued and outstanding options to purchase common shares in the capital of the Purchaser.
- (g) All of the issued and outstanding common shares in the capital of the Purchaser are listed and posted for trading on the TSX. To the knowledge of the Purchaser, no securities commission, stock exchange or comparable authority has issued any order requiring trading in any of the Purchaser' s securities to cease nor instituted proceedings for that purpose and, to the knowledge of the Purchaser, no such proceedings are pending or contemplated.
- (h) All of the Consideration Shares to be issued on the Closing to the Vendor on behalf of the Accounts shall be duly authorized and issued as fully paid and non-

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assessable common shares in the capital of the Purchaser free and clear of all Encumbrances.

- (i) The Purchaser is a “reporting issuer” in each of the provinces and territories of Canada, is not in default in any material respect under any applicable securities Laws applicable in such provinces and territories and is in compliance, in all material respects, with the by-laws, rules, policies and regulations of the TSX. In particular, without limiting the foregoing, the Purchaser is in compliance with its obligations to make timely disclosure of all material changes relating to it (other than in respect of material change reports filed on a confidential basis and thereafter made public and material change reports filed on a confidential basis and in respect of which the material change never came to fruition), no such disclosure has been made on a confidential basis and there is no material change relating to the Purchaser which has occurred and with respect to which the requisite material change report has not been filed.
- (j) The Purchaser has, or will have at the Closing, obtained all consents, approvals, permits, authorizations or filings as may be required under applicable securities Laws and the by-laws, rules and regulations of the TSX necessary to the performance by the Purchaser of its obligations under this Agreement; on the Closing, the Consideration Shares shall be listed and posted for trading on the TSX, subject to the satisfaction of customary TSX conditions.
- (k) The Purchaser and its subsidiaries hold either freehold title, mining leases, mining concessions, mining licenses, mining permits, mining claims or participating interests or other conventional property, proprietary or contractual interests or rights, recognized in the jurisdictions in which a particular property is located, in respect of the ore bodies and minerals located in the Purchaser’s mineral properties, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments, sufficient to permit the Purchaser or applicable subsidiary to explore and exploit the minerals relating thereto, and all such property, leases, concessions, licenses, permits or claims and all property, leases, concessions, licenses, permits or claims in which the Purchaser or applicable subsidiary has an interest or right have been validly located and recorded in accordance with all applicable laws and are valid and subsisting; provided, however, that in no event shall the failure to validly possess a permit that it is not material to the Purchaser constitute a breach of this Section 7(k). Each of the documents, agreements, instruments and obligations referred to above is currently in good standing in the name of the Purchaser or a subsidiary.
- (l) All mineral exploration, development and production currently being conducted by the Purchaser and its subsidiaries are being conducted pursuant to all applicable environmental rules and regulations and in accordance with acceptable environmental practices.
- (m) No actions, suits or proceedings are pending or, to the knowledge of the Purchaser, are contemplated or threatened, to which the Purchaser or its

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subsidiaries is a party, or to which the property of the Purchaser or its subsidiaries is subject, that would result individually or in the aggregate in any material adverse change in the operations, business or condition (financial or otherwise) of the Purchaser or its subsidiaries.

- (n) To the best of the Purchaser's knowledge, the Purchaser and its subsidiaries have conducted and are conducting their business in material compliance with all applicable laws, by-laws, rules and regulations of each jurisdiction in which their businesses are carried on, and hold all material licences, registrations, permits, consents or qualifications (whether governmental, regulatory or otherwise) required in order to enable their businesses to be carried on, as now conducted or as proposed to be conducted, and all such licences, permits, consents and qualifications are valid and subsisting and in good standing and neither the Purchaser nor its subsidiaries has received any notice of proceedings relating to the revocation or modification of any such license, registration, permit, consent or qualification which, if the subject of any unfavourable decision, ruling or finding would materially adversely affect the conduct of the business, operations, condition (financial or otherwise) or income of the Purchaser or its subsidiaries.
- (o) There are no material judgments against the Purchaser or any of its subsidiaries which are unsatisfied, nor are there any material consent decrees or injunctions to which the Purchaser or any of its subsidiaries is subject.
- (p) The Purchaser has had the opportunity to seek independent legal and/or tax advice in connection with the purchase of the Subject Shares and has conducted its own due diligence with respect to the merits of the purchase of the Subject Shares.
- (q) The Purchaser has not provided the Vendor with any confidential or material, non-public information concerning the Subject Shares or the Corporation.
- (r) As of the date hereof, no actions or filings are required to be made by the Purchaser in respect of this Agreement other than as required under the applicable securities Laws.

The representations, warranties and covenants of the Purchaser set forth in this Section 7 will survive the Closing.

## 8. Obligation to File a Prospectus

- (a) In this Section 8:
  - (i) “**Commissions**” means the securities commissions or other securities regulatory authorities in each of the provinces and territories of Canada;
  - (ii) “**misrepresentation**” means (i) an untrue statement of material fact, or (ii) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made;



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- (iii) **“Qualification”** means the qualification of securities under the Securities Laws so as to permit the distribution of such securities to the public in applicable provinces and territories of Canada subject to the limitations contained herein; and
  - (iv) **“Securities Laws”** means the applicable securities legislation of each of the provinces and territories of Canada, as well as the applicable federal and state securities legislation of the United States, and all published rules, regulations, instruments, policy statements, orders, rulings, communiqués and interpretation notes issued thereunder or in relation thereto, as the same may hereafter be amended or replaced.
- (b) Subject to the provisions hereof, the Purchaser hereby agrees to forthwith, and in any event within 15 days of the Closing, prepare and file in the English language, in one or more Canadian jurisdictions (as determined by the Purchaser after consultation with all selling shareholders named therein) a preliminary prospectus under and in compliance with the Securities Laws of each Canadian jurisdiction in which the preliminary prospectus is filed and such other related documents as may be reasonably necessary to be filed in connection with the preliminary prospectus and shall, as soon as possible after any comments of the Commissions have been satisfied with respect thereto, prepare and file under and in compliance with Securities Laws a final prospectus in the English language and use commercially reasonable efforts to cause a receipt to be issued for such prospectus as soon as possible and shall take all other steps and proceedings that may be reasonably necessary in order to permit the Qualification of the Consideration Shares for distribution by registrants who comply with the relevant provisions of the Securities Laws.
- (c) Furthermore, the Purchaser will:
- (i) use commercially reasonable efforts to prepare and file with the applicable Commissions in the Canadian jurisdictions in which the final prospectus is filed such amendments and supplements to such preliminary prospectus and final prospectus, as may be reasonably necessary to comply with the provisions of the applicable Securities Laws with respect to the Qualification of the Consideration Shares, and take such steps as are reasonably necessary to maintain the effectiveness of such prospectus until the time at which the distribution of the Consideration Shares is completed (but such requirement will only extend for a maximum period of four months from the date of Closing (the **“Distribution Period”**));
  - (ii) as expeditiously as possible following actual knowledge by the Purchaser thereof, notify the Vendor of the happening of any event during the Distribution Period as a result of which the preliminary prospectus or final prospectus, as then in effect, would include a misrepresentation (insofar as such misrepresentation relates to or was made by the Purchaser);

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- (iii) in the event of the issuance of any order or ruling suspending the effectiveness of a prospectus receipt or any order suspending or preventing the use of any prospectus or suspending the Qualification of any of the Consideration Shares by such prospectus in any applicable province of Canada, the Purchaser will, as expeditiously as possible after actual knowledge by the Purchaser thereof, notify the Vendor of such event and use its commercially reasonable efforts promptly to obtain the withdrawal of such order or ruling; and
  - (iv) be responsible for its own costs and the costs of its counsel in connection with the preparation of the preliminary and final prospectus and its other obligations set out in this Section 8 and any filing fees associated with the filing of the preliminary or final prospectus or any other document related thereto (the “**Purchaser Paid Expenses**”).
- (d) In connection with the foregoing, the Vendor shall:
- (i) provide, in writing, such information with respect to the Vendor including the number of securities of the Purchaser held by the Vendor as may be required by the Purchaser to comply with the applicable Securities Laws in each jurisdiction in which the prospectus is to be filed;
  - (ii) if required under applicable Securities Laws, execute any certificate forming part of a preliminary prospectus or final prospectus or similar document to be filed with the applicable Commissions;
  - (iii) immediately notify the Purchaser of the happening of any event during the Distribution Period, as a result of which the preliminary prospectus or final prospectus as in effect, would include a misrepresentation insofar as such misrepresentation relates to the Vendor or relates to information provided by the Vendor to the Purchaser in writing for inclusion in the preliminary prospectus or final prospectus;
  - (iv) comply with all applicable published policies, rules and regulations of the applicable Commissions and any stock exchange and over-the-counter market on which the common shares of the Purchaser are then listed or quoted and to otherwise comply with applicable Securities Laws;
  - (v) not effect or permit to be effected sales of the Consideration Shares or deliver or permit to be delivered any prospectus in respect of such sale without the prior written consent of the Vendor, which consent will remain effective for the business day on which it is given only; and
  - (vi) except for the Purchaser Paid Expenses, will be responsible for the payment of all of its own fees and expenses incurred in connection with this Section 8, including without limitation, all underwriting commissions and fees payable in respect of the sale of the Consideration Shares.

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(e) Indemnification

- (i) *By Purchaser.* The Purchaser agrees to indemnify, to the extent permitted by law, the Vendor and each person who participates as an underwriter in the offering or sale of the Consideration Shares, their respective directors, officers, employees and agents and each Person who controls such underwriter (within the meaning of any applicable Securities Laws) against all losses (excluding loss of profits), claims, damages, liabilities and expenses arising out of or based upon: (i) any information or statement contained in the preliminary prospectus, final prospectus, or any filing made in connection therewith or any amendment thereto which at the time and in light of the circumstances under which it was made contains a misrepresentation; (ii) any order made or inquiry, investigation or proceedings commenced or threatened by any applicable Commission, court or other competent authority based upon any misrepresentation in the preliminary prospectus, the final prospectus, or any amendment thereto or based upon any failure to comply with applicable Securities Laws (other than any failure to comply with applicable Securities Laws by the Vendor or the underwriter or underwriters); and (iii) non-compliance by the Purchaser with any of the Securities Laws in connection with the qualification and the distribution effected thereunder, except in the case of any of the foregoing insofar as (A) any information or statement referred to in clause (i) or (ii) of this subsection 8(e) has been furnished to the Purchaser by the Vendor or the underwriter or underwriters expressly for use therein; (B) caused by the Vendor or any underwriter's failure to deliver to a purchaser of Consideration Shares, a copy of the prospectus or any amendments or supplements thereto or to otherwise comply with applicable Securities Laws; (C) the completion of any sale in contravention of the Vendor's obligation to obtain the Purchaser's prior written approval; or (D) any amounts paid in settlement of any claim have been paid if such settlement is effected without the prior written consent of the Purchaser, which consent shall not be unreasonably withheld or delayed.
- (ii) *By Vendor.* The Vendor agrees to indemnify, to the extent permitted by law, the Purchaser and each Person who participates as an underwriter in the offering or sale of the Consideration Shares, their respective directors, officers, employees and agents and each Person who controls such underwriter (within the meaning of any applicable Securities Laws) against all losses (excluding loss of profits), claims, damages, liabilities and expenses arising out of or based upon: (i) any information or statement contained in the preliminary prospectus, final prospectus, any filing made in connection therewith or any amendment thereto which has been furnished to the Purchaser by the Vendor in writing expressly for use therein which at the time and in light of the circumstances under which it was made contains a misrepresentation; (ii) any order made or inquiry, investigation or proceedings commenced or threatened by any applicable

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Commission, court or other competent authority based upon (A) any misrepresentation in the preliminary prospectus, the final prospectus, or any amendment thereto based upon any information or statement which has been furnished to the Purchaser by the Vendor in writing expressly for use therein, or (B) any failure to comply with applicable Securities Laws by the Vendor; (iii) the Vendor's failure to deliver to a purchaser of Consideration Shares, a copy of the prospectus or any amendments or supplements thereto or to otherwise comply with applicable Securities Laws; and (iv) the completion of any sale in contravention of the Vendor's obligation to obtain the Purchaser's prior written approval, except in the case of any of the foregoing insofar any amounts paid in settlement of any claim have been paid if such settlement is effected without the prior written consent of the Vendor, which consent shall not be unreasonably withheld or delayed.

- (iii) *Procedure.* Any Person entitled to indemnification hereunder will (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification; and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel satisfactory to the indemnified party, acting reasonably. If such defense is assumed, the indemnifying party will not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent will not be unreasonably withheld). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim will not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim. No indemnifying party may settle any claims without the express written consent of an indemnified party (such consent not to be unreasonably withheld where such consent does not contain any admission of liability).
- (iv) *Survival; Contribution.* The indemnification provided for under this Agreement will survive the expiry of this Agreement and will remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling Person of such indemnified party and will survive any transfer of securities pursuant thereto. In the event the indemnification is unavailable in whole or in part for any reason, the Purchaser and the Vendor shall contribute to the aggregate of all losses, claims, damages, liabilities and expenses in such proportion as is appropriate to reflect the relative fault of the Purchaser and the Vendor in connection with the event giving rise to liability.

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- (v) *Vendor is Trustee.* The Purchaser hereby acknowledges and agrees that, with respect to this Section 8, the Vendor is contracting on its own behalf and as agent for the other indemnified persons referred to in Section 8. In this regard, the Vendor will act as trustee for such indemnified persons of the covenants of the Purchaser under this Section 8 with respect to such indemnified persons and accepts these trusts and will hold and enforce those covenants on behalf of such indemnified persons.
- (vi) *Purchaser is Trustee.* The Vendor hereby acknowledges and agrees that, with respect to this Section 8, the Purchaser is contracting on its own behalf and as agent for the other indemnified persons referred to in Section 8. In this regard, the Purchaser will act as trustee for such indemnified persons of the covenants of the Vendor under this Section 8 with respect to such indemnified persons and accepts these trusts and will hold and enforce those covenants on behalf of such indemnified persons.

## 9. Confidentiality

Except to the extent required by Law, rules or securities policies, including the rules or policies of any relevant stock exchange, (i) no public announcement or news release concerning the matters provided for in this Agreement may be made by the Purchaser without the Vendor's prior written consent, and (ii) no copy of this Agreement may be provided by the Purchaser to any person (except to its Affiliates, and their respective directors, officers, employees, advisors or lenders (collectively, "**Purchaser Representatives**")) without the Vendor's prior consent. The Purchaser shall be entitled to disclose confidential information only to those Purchaser Representatives who, in all cases, need to know such confidential information, directed to hold such information in the strictest of confidence and agree and undertake to maintain the confidential nature of such confidential information and act in accordance with the terms of this Section 9. To the extent that the Purchaser must make the contents of this Agreement public under the terms of applicable Laws, the Purchaser agrees to omit or censor, in consultation with the Vendor, acting reasonably, any information that would be prejudicial to the interests of the Vendor or the Purchaser, to the extent permitted pursuant to applicable Laws.

The Purchaser hereby consents and agrees to be responsible for any breach of this Section 9 by Purchaser Representatives, whether or not they agree in writing to be bound by its terms.

## 10. Statutory References

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulation made thereunder.

## 11. Headings

The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this

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Agreement. The terms “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Sections are to Sections of this Agreement.

## **12. Currency**

Unless stated otherwise in this Agreement, all references in this Agreement to sums of money are expressed in, and all payments provided for herein shall be made in Canadian dollars, and “\$” refers to Canadian dollars.

## **13. Further Assurances**

Each of the Vendor and the Purchaser will promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further documents and instruments and do all acts and things as the other party may, either before or after the Closing, reasonably required to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement. If required by applicable securities Laws, each of the Vendor and the Purchaser will execute, deliver and file or assist the other party in filing such reports, undertakings and other documents with respect to the sale of the Securities as may be reasonably required by any securities commission, stock exchange or other regulatory authority.

## **14. Entire Agreement**

This Agreement, including Schedule A attached hereto, sets forth the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes any and all prior discussions, negotiations, letters of intent or agreements in principle between them.

## **15. Binding Effect; No Third Party Beneficiaries**

This Agreement shall be binding upon and shall inure to the exclusive benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and permitted assigns and nothing herein, express or implied, is intended to, nor shall it, confer in any other person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

## **16. Amendment**

No amendment to this Agreement may be made unless agreed to by the parties hereto in writing.

## **17. Assignability**

No party hereto shall sell, pledge, assign or otherwise transfer its rights under this Agreement without the prior written consent of the other parties and any attempt to do so shall be void.

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**18. Waiver**

No failure or delay by the Purchaser or the Vendor in exercising any right hereunder or any partial exercise thereof shall operate as a waiver thereof or preclude any other or further exercise of any right hereunder, nor shall any waiver constitute a continuing waiver unless otherwise expressly provided.

**19. Governing Law**

This Agreement is and shall be deemed to be a contract entered into and made pursuant to the laws of the State of New York and shall in all respects be governed, construed, applied and enforced in accordance with said laws, without reference to applicable conflict of laws rules or principles.

**20. Time of the Essence**

Time is of the essence in this Agreement.

**21. Counterparts**

This Agreement may be executed in counterparts, each of which will be deemed to be an original and both of which taken together will be deemed to constitute one and the same instrument.

**22. Electronic Delivery**

Delivery of an executed signature page to this Agreement by either party by facsimile or by PDF via electronic transmission will be as effective as delivery of a manually executed copy of the Agreement by such party.

**23. Expenses**

All costs and expenses incurred in connection with this Agreement and each other agreement, document and instrument contemplated by this Agreement and the transactions contemplated hereby and thereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

**24. Notices**

All notices, requests, consents, claims, demands, waivers and other communications under this Agreement shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective

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parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 24):

If to the Purchaser: Alamos Gold Inc.  
130 Adelaide Street West  
Toronto, Ontario  
M5H 3P5  
Facsimile: (416) 368-2934  
E-mail: [mhoworth@alamosgold.com](mailto:mhoworth@alamosgold.com)  
Attention: Matthew Howorth, Vice-President, Legal

with a copy to: Torys LLP  
79 Wellington Street West, Suite 3000  
Toronto, Ontario  
M4L 3Y7  
Facsimile: (416) 865-7380  
E-mail: [kmorris@torys.com](mailto:kmorris@torys.com)  
Attention: Kevin Morris

If to the Vendor: Van Eck Associates Corporation  
335 Madison Avenue, 19<sup>th</sup> Floor  
New York, NY 10017  
Facsimile: (212) 293-2030  
E-mail: [jmcbrien@vaneck.com](mailto:jmcbrien@vaneck.com)  
Attention: Joseph J. McBrien, Senior Vice President and General Counsel

with a copy to: Borden Ladner Gervais LLP  
Scotia Plaza  
40 King Street West  
Toronto, ON M5H 3Y4  
Facsimile: (416) 361-7090  
E-mail: [apage@blg.com](mailto:apage@blg.com)  
Attention: Alfred Page

## 25. Severability

If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.



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**26. Waiver**

No waiver by any party of any of the provisions of this Agreement shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

**27. Equitable Remedies**

Each party hereto acknowledges that a breach or threatened breach by such party of any of its obligations under this Agreement would give rise to irreparable harm to the other party for which monetary damages would not be an adequate remedy and hereby agrees that in the event of a breach or a threatened breach by such party of any such obligations, the other party hereto shall, in addition to any and all other rights and remedies that may be available to it in respect of such breach, be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction (without any requirement to post bond).

**28. Successors and Assigns**

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors and permitted assigns.

**29. No Third-Party Beneficiaries**

This Agreement is for the sole benefit of the parties to this Agreement and their respective permitted successors and permitted assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

**30. Waiver of Jury Trial**

Each party acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Agreement or the transactions contemplated hereby.

[Remainder of page left intentionally blank]

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**IN WITNESS WHEREOF** the parties have executed this Agreement.

**ALAMOS GOLD INC.**

By: /s/ Jamie Porter

\_\_\_\_\_  
Name: Jamie Porter

Title: Chief Financial Officer

By: /s/ Matthew Howorth

\_\_\_\_\_  
Name: Matthew Howorth

Title: Vice President, Legal

**VAN ECK ASSOCIATES CORPORATION**

By: /s/ Jonathan R. Simon

\_\_\_\_\_  
Name: Jonathan R. Simon

Title: Vice President

By: \_\_\_\_\_

Name:

Title:

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**SCHEDULE A**

**FORM OF DECLARATION FOR REMOVAL OF LEGEND**

TO:               ■, as transfer agent for the securities of ■ [Purchaser]

AND TO:       ■ [Purchaser]

Attention: ■

The undersigned (a) acknowledges that the sale of ■ common shares of ■ [Purchaser] (the “Corporation”) to which this declaration relates, represented by certificate number ■, is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the “1933 Act”), and (b) certifies that (1) the seller is not an “affiliate” (as that term is defined in Rule 405 under the 1933 Act) of the Corporation, (2) the offer of such securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (B) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of “washing off” the resale restrictions imposed because the securities are “restricted securities” (as such term is defined in Rule 144(a)(3) under the 1933 Act), (5) the seller does not intend to replace such securities with fungible unrestricted securities and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S under the 1933 Act, is part of a plan or scheme to evade the registration provisions of the 1933 Act. Terms used herein have the meanings given to them by Regulation S under the 1933 Act.

Dated ■

**VAN ECK ASSOCIATES CORPORATION**

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title:

**SHARE PURCHASE AGREEMENT**

**BETWEEN**

**MONTRUSCO BOLTON INVESTMENTS INC.**

**AND**

**ALAMOS GOLD INC.**

**MADE AS OF**

**January 10, 2013**

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## SHARE PURCHASE AGREEMENT

**THIS AGREEMENT** (this “**Agreement**”) is made as of January 10, 2013

### BETWEEN

**ALAMOS GOLD INC.**, a corporation incorporated under the laws of the Province of British Columbia (the “**Purchaser**”),

- and -

**MONTRUSCO BOLTON INVESTMENTS INC.**, a corporation incorporated under the laws of Canada (the “**Vendor**”)

**WHEREAS** Aurizon Mines Ltd. (the “**Corporation**”) is a corporation duly incorporated, organized and subsisting under the laws of the Province of British Columbia;

**AND WHEREAS** the Vendor is an investment manager, having investment authority over accounts (the “**Accounts**”) that hold 6,138,783 common shares (the “**Common Shares**”) in the capital of the Corporation (the “**Subject Shares**”), all of which shares are listed and posted for trading on the Toronto Stock Exchange and the NYSE MKT;

**AND WHEREAS** the Vendor desires to sell and the Purchaser desires to purchase the Subject Shares, upon and subject to the terms and conditions hereinafter set forth;

**NOW THEREFORE**, in consideration of the premises and the covenants and agreements herein contained (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

#### 1. Purchase and Sale

The Vendor, on behalf of the Accounts, hereby sells, transfers and assigns and the Purchaser hereby purchases, all of the Vendor's and the Accounts' right, title and interest in and to the Shares free and clear of all Encumbrances (defined below) upon and subject to the terms and conditions hereof.

#### 2. Determination of Purchase Price

The aggregate purchase price (the “**Purchase Price**”) payable by the Purchaser to the Vendor, on behalf of the Accounts, for the Subject Shares shall be equal to Cdn.\$4.65 per Subject Share. The parties agree that the Purchase Price shall be satisfied by the delivery of 1,719,465 common shares in the capital of the Purchaser (the “**Consideration Shares**”), being 0.2801 Consideration Share per Subject Share.

#### 3. Payment of Purchase Price

At Closing (defined below),

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- (a) the Purchaser shall deliver to the Vendor, certificate(s) representing all of the Consideration Shares, or, if the Consideration Shares are not in a certificated form, otherwise provide good title of the Consideration Shares to the Vendor in such other manner as agreed to by the parties; and
  - (b) the Vendor, on behalf of the Accounts, shall deliver to the Purchaser or, as directed by the Purchaser in writing, to an Affiliate (as such term is defined in National Instrument 45-106, *Prospectus and Registration Requirements*) of the Purchaser, certificate(s) representing all of the issued and outstanding Subject Shares, duly endorsed in blank for transfer or accompanied by duly signed powers of attorney for transfer in blank, or, if the Subject Shares are not in a certificated form, otherwise provide good title of the Subject Shares to the Purchaser in such other manner as agreed to by the parties.

#### 4. Adjustment of Share Purchase Price

- (a) If at any time in the twelve-month period following the date of this Agreement any person or group of persons acting jointly or in concert, including, for the avoidance of doubt, the Purchaser, acquires all or substantially all of the assets of the Corporation and its subsidiaries, taken as a whole, or acquires all of the Common Shares (any such transaction being a “**Price Protection Transaction**”) then, within five business days following completion of the Price Protection Transaction, the Purchaser shall pay, or cause an Affiliate to pay, to the Vendor, the Adjustment Payment (as defined below), if applicable, in immediately available funds.
- (b) The “**Adjustment Payment**” will be equal to:
  - (i) if the Purchaser or any of its Affiliates or any person acting jointly or in concert with the Purchaser completes a Price Protection Transaction, an additional amount on account of each Subject Share equal to the amount by which the consideration received by the holders of the Common Shares pursuant to the Price Protection Transaction (the “**Transaction Consideration**”) exceeds the greater of Cdn.\$4.65 per Common Share and 0.2801 Consideration Share, and
  - (ii) if any other person or entity completes a Price Protection Transaction, an additional amount on account of each Subject Share that is equal to 85% of the difference between the amount by which the Transaction Consideration exceeds the greater of Cdn.\$4.65 per Common Share and 0.2801 Consideration Share.
- (c) If all or any portion of the Transaction Consideration is in the form of:
  - (i) cash, the consideration shall be valued based on the face value of the cash,
  - (ii) publicly traded securities, the consideration shall be valued based on the closing price of such securities on the date of the completion of the Price Protection Transaction on the published market on which the greatest volume

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of trading in such securities occurred over the twenty days preceding such date,

- (iii) securities that are not publicly traded until the date of the completion of the Price Protection Transaction, the consideration shall be valued based on the closing price of such securities on the five trading days following the completion of the Price Protection Transaction on the published market on which the greatest volume of trading in such securities occurred over such period, or
  - (iv) any other consideration, the consideration shall be valued at its fair market value as the Vendor and the Purchaser shall mutually agree, acting reasonably.
- (d) If all or any portion of the Transaction Consideration has a value expressed in a currency other than Cdn. dollars, then the value of that consideration will be expressed in Cdn. dollars based upon a conversion rate of exchange equal to the noon spot rate quoted by the Bank of Canada on the date of the completion of the Price Protection Transaction for the purchase of Cdn. dollars using the currency in which the consideration (or portion thereof) was originally denominated.
- (e) In the event of any disagreement between the parties with respect to the calculation of the Transaction Consideration, the matter will be submitted to an internationally recognized firm of chartered accountants independent of both parties and their Affiliates to be agreed upon by the parties. The decision of such firm of chartered accountants as to the value of the Adjustment Payment will be final and binding.

## **5. Closing**

The sale and purchase of the Subject Shares will be completed immediately after the execution and delivery of this Agreement by the Vendor and the Purchaser at the offices of Torys LLP, Suite 3000, 79 Wellington St. W., Box 270, TD Centre, Toronto, Ontario M5K 1N2 (the “**Closing**”).

## **6. Standstill**

For a period of twelve months following the date of this Agreement, the Vendor shall not, without the prior written consent of the Purchaser, which consent may be given on such terms and conditions as the Purchaser may determine: (i) in any manner acquire, agree to acquire or make any proposal or offer to acquire, directly or indirectly, any unissued or outstanding securities of the Corporation or propose or offer to enter into, directly or indirectly, any amalgamation, plan of arrangement, merger or business combination involving the Corporation and its Affiliates or to purchase, directly or indirectly, all or substantially all of the assets of the Corporation and its subsidiaries, taken as a whole; (ii) directly or indirectly “solicit” or participate or join with any person in the “solicitation” of any “proxies” (as such terms are defined in the *Securities Act* (Ontario)) to vote, or seek to influence any person with respect to the voting of, any voting securities of the Corporation; (iii) otherwise act alone or jointly or in concert with others to seek to control or to influence the management, the board of directors or policies of the Corporation; (iv) solicit,

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facilitate or encourage any transaction to acquire assets of the Corporation and/or one or more of its subsidiaries representing 20% or more of the consolidated assets or contributing 20% or more of the consolidated revenue of the Corporation and its subsidiaries, taken as a whole, or acquire 20% or more of the Common Shares (an “**Acquisition Transaction**”) other than a transaction by the Purchaser or any of its Affiliates or any person acting jointly or in concert with the Purchaser; (v) enter into, continue or participate in any discussions or negotiations regarding an Acquisition Transaction, or furnish to any other person any information with respect to the business of the Corporation or its properties, operations, prospects or conditions (financial or otherwise) in connection with an Acquisition Transaction or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt of any other person (other than the Purchaser or any of its Affiliates or any person acting jointly or in concert with the Purchaser) to do or seek to do any of the foregoing; or (vi) advise, assist, encourage or act jointly or in concert with any other person in connection with any of the foregoing, other than the Purchaser or any of its Affiliates or any person acting jointly or in concert with the Purchaser.

## **7. Vendor’ s Representations and Warranties**

The Vendor represents and warrants to the Purchaser that:

- (a) The Vendor is a corporation existing under the laws of Canada;
- (b) The Vendor is the legal, and the Accounts are the beneficial, owner of the Subject Shares free and clear of all liens, charges, encumbrances, hypothecs, pledges, mortgages, security interests of any nature, adverse claims, options, rights of pre-emption, and any other rights of others (collectively, “**Encumbrances**”).
- (c) Other than the Subject Shares, neither the Vendor nor any of its Affiliates own or exercise investment authority over any securities of the Corporation or any of its subsidiaries or any securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, securities of the Corporation or its subsidiaries.
- (d) The Vendor has good and sufficient power, authority and right to enter into and deliver this Agreement and to transfer the legal and beneficial title and ownership of the Subject Shares on behalf of the Accounts to the Purchaser free and clear of all Encumbrances and, upon payment of the Purchase Price, the Purchaser will acquire good and valid title to the Subject Shares, free and clear of all Encumbrances.
- (e) The Vendor is authorized to sell and transfer to the Purchaser the full legal and beneficial ownership of the Subject Shares on the terms of this Agreement without the consent of any third party.
- (f) The execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action on the part of the Vendor.
- (g) This Agreement constitutes a valid and legally binding obligation of the Vendor, enforceable against the Vendor in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting



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the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the court.

- (h) There is no contract, option or any other right of another party binding upon or which at any time in the future may become binding upon the Vendor to sell, transfer, assign, pledge, charge, mortgage or in any other way dispose of or encumber any of the Subject Shares other than pursuant to the provisions of this Agreement.
- (i) There is no outstanding voting trust, proxy or other similar agreement with respect to the voting of the Subject Shares, other than the proxy granted to the Purchaser as contemplated under the terms of this Agreement.
- (j) To the Vendor's knowledge, neither entering into nor the delivery of this Agreement nor the completion of the transactions contemplated hereby by the Vendor will result in the violation of:
  - (i) any of the provisions of the organizational documents or by-laws of the Vendor;
  - (ii) any contract (written or oral) or other instrument to which the Vendor is a party or by which the Vendor is bound; or
  - (iii) any law, statute, rule, regulation, or any existing applicable decree, judgment, or order by any court, administrative agency, or other governmental body (collectively, "**Law**"), in respect of which the Vendor must comply.
- (k) The Vendor has not disclosed to the Purchaser any confidential or material, non-public information concerning the Common Shares or the Corporation.
- (m) The Vendor is knowledgeable of, or has been independently advised as to, the applicable securities laws of the jurisdiction which would apply to this subscription, if any.
- (n) The Vendor is permitted to purchase and hold the Consideration Shares pursuant to exemptions from any prospectus, financial promotion or registration requirements under the applicable securities legislation of any applicable jurisdiction or, if such is not applicable, the Vendor is permitted to purchase and hold the Consideration Shares under the applicable securities laws of such jurisdiction without the need to rely on exemptions.
- (o) The Vendor understands that the Vendor may not be able to resell the Consideration Shares except in accordance with limited exemptions available under applicable securities legislation and regulatory policy, and that the Vendor is solely responsible for the Vendor's compliance with applicable resale restrictions.
- (p) The Vendor has not received or been provided with any offering memorandum, or any other document (other than annual financial statements, interim financial statements or any other document (excluding offering memoranda, prospectuses or

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other offering documents) the content of which is prescribed by statute or regulation and which has been publicly filed on SEDAR) describing the business and affairs of the Purchaser, which has been prepared for delivery to and reviewed by prospective purchasers in order to assist them in making an investment decision in respect of the Consideration Shares.

- (q) The Vendor has relied solely upon publicly available information relating to the Purchaser and not upon any oral or written representation as to fact or otherwise made by or on behalf of the Purchaser.
- (r) No person has made any written or oral representations to the Vendor that any person will resell or repurchase any of the Consideration Shares, that any person will refund the purchase price of any of the Consideration Shares or as to the future price or value of the Consideration Shares.
- (u) The Vendor will not resell any of the Consideration Shares except in accordance with the provisions of applicable securities legislation, securities regulatory policy, and stock exchange rules; which, for example, during the four month period contemplated in Section 7(w) could include trades to “accredited investors” in compliance with section 2.3 of National Instrument 45-106 Prospectus and Registration Exemptions;
- (v) The Vendor is purchasing the Consideration Shares as principal for its own account and not for the benefit of any other person, it is an “accredited investor” as defined in section 1.1 of National Instrument 45-106 Prospectus and Registration Exemptions, and is not a person that is created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of “accredited investor” in section 1.1 of National Instrument 45-106 Prospectus and Registration Exemptions (unless each of the shareholders of such person is an “accredited investor” under such instrument).
- (w) The Vendor acknowledges that the Consideration Shares that the certificates representing the Consideration Shares (or any certificates issued in exchange or in substitution thereof), will bear the following legends with the necessary information inserted:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [THE DATE WHICH IS FOUR MONTHS AND ONE DAY AFTER THE CLOSING DATE WILL BE INSERTED].”

and

“WITHOUT PRIOR WRITTEN APPROVAL OF THE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A

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CANADIAN RESIDENT UNTIL [THE DATE WHICH IS FOUR MONTHS AND ONE DAY AFTER THE CLOSING DATE WILL BE INSERTED].”

provided that subsequent to the date which is four months and one day after the Closing Date (or earlier pursuant to a transaction completed under the prospectus contemplated in Section 9), the certificates representing the Consideration Shares may be exchanged for certificates bearing no such legends.

- (x) The Vendor acknowledges and consents to the Purchaser collecting personal information relating to the Vendor for the purpose of completing this Agreement. The Vendor acknowledges and consents to the Purchaser retaining such personal information for as long as permitted or required by law or business practices. The Vendor further acknowledges and consents to the fact that the Purchaser may be required by Canadian securities laws, the rules and policies of the Toronto Stock Exchange or of any applicable stock exchange to provide regulatory authorities with any personal information provided by the Vendor in this Agreement. Specifically, such consent shall extend to the collection, use and disclosure of personal information by the Toronto Stock Exchange for the following purposes, or as otherwise described or identified by the Toronto Stock Exchange from time to time:
- (i) to conduct background checks;
  - (ii) to verify the personal information that has been provided about each individual;
  - (iii) to consider the suitability of the individual to act as an officer, director, insider, promoter, investor relations provider or, as applicable, an employee or consultant, of the Purchaser or the applicant;
  - (iv) to consider the eligibility of the Purchaser or the applicant to list on the Toronto Stock Exchange;
  - (v) to provide disclosure to market participants as to the security holdings of directors, officers, other insiders and promoters of the Purchaser, or its associates or affiliates;
  - (vi) to conduct enforcement proceedings; and
  - (vii) to perform other investigations as required by and to ensure compliance with all applicable rules, policies, rulings and regulations of the Toronto Stock Exchange, securities legislation and other legal and regulatory requirements governing the conduct and protection of the public markets in Canada.
- (y) The Vendor has been advised that the Toronto Stock Exchange also collects additional personal information from other sources, including but not limited to, securities regulatory authorities in Canada or elsewhere, investigative, law enforcement or self-regulatory organizations, regulations services providers and each of their subsidiaries, affiliates, regulators and authorized agents, to ensure that the purposes set out above can be accomplished. The personal information the Toronto Stock Exchange collects may also be disclosed to such agencies and organizations, or as otherwise permitted or required by law, and they may use it in their own

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investigations for the purposes described above and may also be disclosed on the website of the Toronto Stock Exchange or through printed materials published by or pursuant to the directions of the Toronto Stock Exchange. The Toronto Stock Exchange may from time to time use third parties to process information and/or provide other administrative services and in this regard, may share the information with such third party service providers. The Vendor represents and warrants that the Vendor has the authority to provide the consents and acknowledgements set out in this paragraph on behalf of each beneficial purchaser for whom the Vendor is contracting hereunder.

- (z) If the Vendor is resident, or, if not an individual, has its head office, in the Province of Ontario, the Vendor acknowledges that it has been notified:
- (i) of the delivery to the OSC of information with respect to the Vendor's full name, residential address (or head office) and telephone number, the number and type of securities received, the total value of such securities, the prospectus exemption relied upon by the Purchaser and the date of distribution (collectively the "**Vendor Information**");
  - (ii) that the Vendor Information is being collected indirectly by the OSC under the authority granted to it by the securities laws of Ontario;
  - (iii) that the Vendor Information is being collected for the purposes of the administration and enforcement of the Securities Laws of Ontario;
  - (iv) that the Administrative Assistant to the Director of Corporate Finance of the OSC can be contacted at Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8 or at (416) 593-8086 regarding any questions about the OSC's indirect collection of the Vendor Information; and
  - (v) the Vendor authorizes the indirect collection of the Vendor Information by the OSC.

The representations and warranties of the Vendor set forth in this Section 7 will survive the Closing.

## **8. Purchaser's Representations and Warranties**

The Purchaser represents and warrants to the Vendor that:

- (u) The Purchaser is a corporation duly incorporated, organized and subsisting under the laws of the Province of British Columbia.
- (v) The Purchaser has good and sufficient power, authority and right to enter into and deliver this Agreement and to complete the transactions contemplated by this Agreement.
- (w) The execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action on the part of the Purchaser.

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- (x) This Agreement constitutes a valid and legally binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the court.
  - (y) To the Purchaser's knowledge, neither the entering into nor the delivery of this Agreement nor the completion of the transactions contemplated hereby by the Purchaser will result in a violation of:
    - (i) any of the provisions of the organizational documents or by-laws of the Purchaser;
    - (ii) any contract (written or oral) or other instrument to which the Purchaser is a party or by which the Purchaser is bound; or
    - (iii) any applicable Law in respect of which the Purchaser must comply.
  - (z) The Purchaser has had the opportunity to seek independent legal and/or tax advice in connection with the purchase of the Subject Shares and has conducted its own due diligence with respect to the merits of the purchase of the Subject Shares.
  - (aa) The Purchaser has not provided the Vendor with any confidential or material, non-public information concerning the Subject Shares or the Corporation.
  - (bb) As of the date hereof, no actions or filings are required to be made by the Purchaser in respect of this Agreement other than as required under the applicable securities Laws.

The representations and warranties of the Purchaser set forth in this Section 8 will survive the Closing.

## 9. Obligation to file a Prospectus

- (a) In this section,
  - (i) **"Commissions"** means the securities commissions or other securities regulatory authorities in each of the provinces of Canada;
  - (ii) **"misrepresentation"** means (i) an untrue statement of material fact, or (ii) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made;
  - (iii) **"Qualification"** means the qualification of securities under the Securities Laws so as to permit the distribution of such securities to the public in applicable provinces and territories of Canada subject to the limitations contained herein; and

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- (iv) “**Securities Laws**” means the applicable securities legislation of each of the provinces and territories of Canada, as well as the applicable federal and state securities legislation of the United States, and all published rules, regulations, instruments, policy statements, orders, rulings, communiqués and interpretation notes issued thereunder or in relation thereto, as the same may hereafter be amended or replaced.
- (b) Subject to the provisions hereof, the Purchaser hereby agrees to forthwith, and in any event within fifteen (15) days of the Closing, prepare and file in the English language, in one or more Canadian jurisdictions (as determined by the Purchaser after consultation with all selling shareholders named therein) a preliminary prospectus under and in compliance with the Securities Laws of each Canadian jurisdiction in which the preliminary prospectus is filed and such other related documents as may be reasonably necessary to be filed in connection with the preliminary prospectus and shall, as soon as possible after any comments of the Commissions have been satisfied with respect thereto, prepare and file under and in compliance with Securities Laws a final prospectus in the English language and use commercially reasonable efforts to cause a receipt to be issued for such prospectus as soon as possible and shall take all other steps and proceedings that may be reasonably necessary in order to permit the Qualification of the Consideration Shares for distribution by registrants who comply with the relevant provisions of the Securities Laws.
- (c) Furthermore, the Purchaser will:
- (i) use commercially reasonable efforts to prepare and file with the applicable Commissions in the Canadian jurisdictions in which the final prospectus is filed such amendments and supplements to such preliminary prospectus and final prospectus, as may be reasonably necessary to comply with the provisions of the applicable Securities Laws with respect to the Qualification of the Consideration Shares, and take such steps as are reasonably necessary to maintain the effectiveness of such prospectus until the time at which the distribution of the Consideration Shares is completed (but such requirement will only extend for a maximum period of four months from the date of Closing (the “**Distribution Period**”));
  - (ii) as expeditiously as possible following actual knowledge by the Purchaser thereof, notify the Vendor of the happening of any event during the Distribution Period as a result of which the preliminary prospectus or final prospectus, as then in effect, would include a misrepresentation (insofar as such misrepresentation relates to or was made by the Purchaser);
  - (iii) in the event of the issuance of any order or ruling suspending the effectiveness of a prospectus receipt or any order suspending or preventing the use of any prospectus or suspending the Qualification of any of the Consideration Shares by such prospectus in any applicable province of Canada, the Purchaser will, as expeditiously as possible after actual

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knowledge by the Purchaser thereof, notify the Vendor of such event and use its commercially reasonable efforts promptly to obtain the withdrawal of such order or ruling; and

- (iv) be responsible for its own costs and the costs of its counsel in connection with the preparation of the preliminary and final prospectus and its other obligations set out in this section 9 and any filing fees associated with the filing of the preliminary or final prospectus or any other document related thereto (the “**Purchaser Paid Expenses**”).

(d) In connection with the foregoing, the Vendor shall:

- (i) provide, in writing, such information with respect to the Vendor including the number of securities of the Purchaser held by the Vendor as may be required by the Purchaser to comply with the applicable Securities Laws in each jurisdiction in which the prospectus is to be filed;
- (ii) if required under applicable Securities Laws, execute any certificate forming part of a preliminary prospectus or final prospectus or similar document to be filed with the applicable Commissions;
- (iii) immediately notify the Purchaser of the happening of any event during the Distribution Period, as a result of which the preliminary prospectus or final prospectus as in effect, would include a misrepresentation insofar as such misrepresentation relates to the Vendor or relates to information provided by the Vendor to the Purchaser in writing for inclusion in the preliminary prospectus or final prospectus;
- (iv) comply with all applicable published policies, rules and regulations of the applicable Commissions and any stock exchange and over-the-counter market on which the common shares of the Purchaser are then listed or quoted and to otherwise comply with applicable Securities Laws;
- (v) not effect or permit to be effected sales of the Consideration Shares or deliver or permit to be delivered any prospectus in respect of such sale without the prior written consent of the Vendor, which consent will remain effective for the business day on which it is given only; and
- (vi) except for the Purchaser Paid Expenses, will be responsible for the payment of all of its own fees and expenses incurred in connection herewith, including without limitation, all underwriting commissions and fees payable in respect of the sale of the Consideration Shares.

(e) Indemnification

- (i) *By Purchaser.* The Purchaser agrees to indemnify, to the extent permitted by law, the Vendor and each person who participates as an underwriter in the offering or sale of the Consideration Shares, their respective directors,

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officers, employees and agents and each Person who controls such underwriter (within the meaning of any applicable Securities Laws) against all losses (excluding loss of profits), claims, damages, liabilities and expenses arising out of or based upon: (i) any information or statement contained in the preliminary prospectus, final prospectus, or any filing made in connection therewith or any amendment thereto which at the time and in light of the circumstances under which it was made contains a misrepresentation; (ii) any order made or inquiry, investigation or proceedings commenced or threatened by any applicable Commission, court or other competent authority based upon any misrepresentation in the preliminary prospectus, the final prospectus, or any amendment thereto or based upon any failure to comply with applicable Securities Laws (other than any failure to comply with applicable Securities Laws by the Vendor or the underwriter or underwriters); and (iii) non-compliance by the Purchaser with any of the Securities Laws in connection with the qualification and the distribution effected thereunder, except in the case of any of the foregoing insofar as (A) any information or statement referred to in clause (i) or (ii) of this subsection 9(e)(i) has been furnished to the Purchaser by the Vendor or the underwriter or underwriters expressly for use therein pursuant to subsection 9(d)(i); (B) caused by the Vendor or any underwriter's failure to deliver to a purchaser of Consideration Shares, a copy of the prospectus or any amendments or supplements thereto or to otherwise comply with applicable Securities Laws; (C) the completion of any sale in contravention of the Vendor's obligation to obtain the Purchaser's prior written approval; or (D) any amounts paid in settlement of any claim have been paid if such settlement is effected without the prior written consent of the Purchaser, which consent shall not be unreasonably withheld or delayed.

- (ii) *By Vendor.* The Vendor agrees to indemnify, to the extent permitted by law, the Purchaser and each Person who participates as an underwriter in the offering or sale of the Consideration Shares, their respective directors, officers, employees and agents and each Person who controls such underwriter (within the meaning of any applicable Securities Laws) against all losses (excluding loss of profits), claims, damages, liabilities and expenses arising out of or based upon: (i) any information or statement contained in the preliminary prospectus, final prospectus, any filing made in connection therewith or any amendment thereto which has been furnished to the Purchaser by the Vendor expressly for use therein pursuant to section 9(d)(i) which at the time and in light of the circumstances under which it was made contains a misrepresentation; (ii) any order made or inquiry, investigation or proceedings commenced or threatened by any applicable Commission, court or other competent authority based upon (A) any misrepresentation in the preliminary prospectus, the final prospectus, or any amendment thereto based upon any information or statement which has been furnished to the Purchaser by the Vendor expressly for use therein pursuant to subsection 3.2(a), or (B) any failure to comply with applicable Securities Laws by the Vendor; (iii) the Vendor's failure to deliver to a purchaser of Consideration Shares, a copy of



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the prospectus or any amendments or supplements thereto or to otherwise comply with applicable Securities Laws; and (iv) the completion of any sale in contravention of the Vendor's obligation to obtain the Purchaser's prior written approval, except in the case of any of the foregoing insofar any amounts paid in settlement of any claim have been paid if such settlement is effected without the prior written consent of the Vendor, which consent shall not be unreasonably withheld or delayed.

- (iii) *Procedure.* Any Person entitled to indemnification hereunder will (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel satisfactory to the indemnified party, acting reasonably. If such defense is assumed, the indemnifying party will not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent will not be unreasonably withheld). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim will not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim. No indemnifying party may settle any claims without the express written consent of an indemnified party (such consent not to be unreasonably withheld where such consent does not contain any admission of liability).
- (iv) *Survival; Contribution.* The indemnification provided for under this Agreement will survive the expiry of this Agreement and will remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling Person of such indemnified party and will survive any transfer of securities pursuant thereto. In the event the indemnification is unavailable in whole or in part for any reason under this section 9(e), the Purchaser and the Vendor shall contribute to the aggregate of all losses, claims, damages, liabilities and expenses in such proportion as is appropriate to reflect the relative fault of the Purchaser and the Vendor in connection with the event giving rise to liability.
- (v) *Vendor is Trustee.* The Purchaser hereby acknowledges and agrees that, with respect to this Section 9(e), the Vendor is contracting on its own behalf and as agent for the other indemnified persons referred to in Section 9(e)(i). In this regard, the Vendor will act as trustee for such indemnified persons of the covenants of the Purchaser under this Section 9(e) with respect to such indemnified persons and accepts these trusts and will hold and enforce those covenants on behalf of such indemnified persons.

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- (vi) *Purchaser is Trustee.* The Vendor hereby acknowledges and agrees that, with respect to this Section 9(e), the Purchaser is contracting on its own behalf and as agent for the other indemnified persons referred to in Section 9(e)(ii). In this regard, the Purchaser will act as trustee for such indemnified persons of the covenants of the Vendor under this Section 9(e) with respect to such indemnified persons and accepts these trusts and will hold and enforce those covenants on behalf of such indemnified persons.

## **10. Confidentiality**

Except to the extent required by Law, rules or securities policies, including the rules or policies of any relevant stock exchange, (i) no public announcement or news release concerning the matters provided for in this Agreement may be made by the Purchaser without the Vendor's prior written consent and (ii) no copy of this Agreement may be provided by the Purchaser to any person (except to its Affiliates, and their respective directors, officers, employees, advisors or lenders (collectively, "**Purchaser Representatives**")) without the Vendor's prior consent. The Purchaser shall be entitled to disclose confidential information only to those Purchaser Representatives who, in all cases, need to know such confidential information, directed to hold such information in the strictest of confidence and agree and undertake to maintain the confidential nature of such confidential information and act in accordance with the terms of this provision. To the extent that the Purchaser must make the contents of this Agreement public under the terms of applicable Laws, the Purchaser agrees to omit or censor, in consultation with the Vendor, acting reasonably, any information that would be prejudicial to the interests of the Vendor or the Purchaser, to the extent permitted pursuant to applicable Laws.

The Purchaser hereby consents and agrees to be responsible for any breach of this Section 10 by Purchaser Representatives, whether or not they agree in writing to be bound by its terms.

## **11. Statutory References**

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulation made thereunder.

## **12. Headings**

The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement. The terms "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Sections are to Sections of this Agreement.

## **13. Currency**

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Unless stated otherwise in this Agreement, all references in this Agreement to sums of money are expressed in, and all payments provided for herein shall be made in Canadian dollars, and “\$” refers to Canadian dollars.

#### **14. Further Assurances**

Each of the Vendor and the Purchaser will promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further documents and instruments and do all acts and things as the other party may, either before or after the Closing, reasonably required to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement. If required by applicable securities Laws, each of the Vendor and the Purchaser will execute, deliver and file or assist the other party in filing such reports, undertakings and other documents with respect to the sale of the Securities as may be reasonably required by any securities commission, stock exchange or other regulatory authority.

#### **15. Entire Agreement**

This Agreement, including the Schedules attached hereto, sets forth the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes any and all prior discussions, negotiations, letters of intent or agreements in principle between them.

#### **16. Binding Effect; No Third Party Beneficiaries**

This Agreement shall be binding upon and shall inure to the exclusive benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and permitted assigns and nothing herein, express or implied, is intended to, nor shall it, confer in any other person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

#### **17. Amendment**

No amendment to this Agreement may be made unless agreed to by the parties hereto in writing.

#### **18. Assignability**

No party hereto shall sell, pledge, assign or otherwise transfer its rights under this Agreement without the prior written consent of the other parties and any attempt to do so shall be void, except that the Purchaser may assign or transfer its rights under this Agreement to any Affiliate of the Purchaser without the Vendor's consent.

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**19. Waiver**

No failure or delay by the Purchaser or the Vendor in exercising any right hereunder or any partial exercise thereof shall operate as a waiver thereof or preclude any other or further exercise of any right hereunder, nor shall any waiver constitute a continuing waiver unless otherwise expressly provided.

**20. Governing Law**

This Agreement is and shall be deemed to be a contract entered into and made pursuant to the laws of the Province of Ontario and the laws of Canada applicable therein and shall in all respects be governed, construed, applied and enforced in accordance with said laws, without reference to applicable conflict of laws rules or principles.

**21. Time of the Essence**

Time is of the essence in this Agreement.

**22. Counterparts**

This Agreement may be executed in counterparts, each of which will be deemed to be an original and both of which taken together will be deemed to constitute one and the same instrument.

**23. Electronic Delivery**

Delivery of an executed signature page to this Agreement by either party by facsimile or by PDF via electronic transmission will be as effective as delivery of a manually executed copy of the Agreement by such party.

**23. Expenses**

All costs and expenses incurred in connection with this Agreement and each other agreement, document and instrument contemplated by this Agreement and the transactions contemplated hereby and thereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

**24. Notices**

All notices, requests, consents, claims, demands, waivers and other communications under this Agreement shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 24):

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If to the Purchaser: Alamos Gold Inc.  
130 Adelaide Street West  
Toronto, Ontario  
M5H 3P5  
Facsimile: (416) 368-2934  
E-mail: mhoworth@alamosgold.com  
Attention: Matthew Howorth, Vice-President, Legal

with a copy to: Torys LLP  
79 Wellington Street West, Suite 3000  
Toronto, Ontario  
M4L 3Y7  
Facsimile: (416) 865-7380  
E-mail: kmorris@torys.com  
Attention: Kevin Morris

If to the Vendor: Montrusco Bolton Investments Inc.  
100 King Street West  
Suite 5600  
Toronto, Ontario  
M5X 1C9  
E-mail: GodinC@montruscobolton.com  
Attention: Christian Godin

## **25. Severability**

If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

## **26. Waiver**

No waiver by any party of any of the provisions of this Agreement shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

## **27. Equitable Remedies**

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Each party hereto acknowledges that a breach or threatened breach by such party of any of its obligations under this Agreement would give rise to irreparable harm to the other party for which monetary damages would not be an adequate remedy and hereby agrees that in the event of a breach or a threatened breach by such party of any such obligations, the other party hereto shall, in addition to any and all other rights and remedies that may be available to it in respect of such breach, be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction (without any requirement to post bond).

**28. Successors and Assigns**

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors and permitted assigns.

**29. No Third-Party Beneficiaries**

This Agreement is for the sole benefit of the parties to this Agreement and their respective permitted successors and permitted assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

**30. Waiver of Jury Trial**

Each party acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Agreement or the transactions contemplated hereby.

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IN WITNESS WHEREOF the parties have executed this Agreement.

**ALAMOS GOLD INC.**

By: /s/ Jamie Porter

Name: Jamie Porter

Title: Chief Financial Officer

By: /s/ Matthew Howorth

Name: Matthew Howorth

Title: Vice President, Legal

**MONTRUSCO BOLTON INVESTMENTS INC.**

By: /s/ Christian Godin

Name: Christian Godin

Title: Senior Vice President

By: /s/ Jean-Claude Ayotte

Name: Jean-Claude Ayotte

Title: Vice President and Chief Financial Officer