

**ALAMOS GOLD INC.**  
**and**  
**CARLISLE GOLDFIELDS LIMITED**

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**ARRANGEMENT AGREEMENT**

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Dated as of October 15, 2015

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## **ARRANGEMENT AGREEMENT**

**THIS ARRANGEMENT AGREEMENT** (this “**Agreement**”) made as of the 15<sup>th</sup> day of October, 2015

### **BETWEEN:**

**ALAMOS GOLD INC.**, a corporation amalgamated under the laws of Ontario,

(hereinafter referred to as “**Alamos**”)

- and -

**CARLISLE GOLDFIELDS LIMITED**, a corporation amalgamated under the laws of Ontario,

(hereinafter referred to as “**Carlisle**” and together with Alamos, the “**Parties**” and each, a “**Party**”)

### **WITNESSES THAT:**

**WHEREAS** Alamos and Carlisle wish to enter into this Agreement to implement the acquisition by Alamos of all the issued and outstanding Carlisle Shares;

**AND WHEREAS** the Carlisle Board has determined, after consultation with its legal and financial advisors, that the Arrangement is fair to the Carlisle Shareholders and that the transactions contemplated in the Arrangement are in the best interests of Carlisle; and the Carlisle Board has resolved to recommend approval of the Arrangement Resolution to the Carlisle Shareholders, all on the terms and subject to the conditions contained herein;

**AND WHEREAS** the Locked-Up Shareholders have concurrently with the execution and delivery of this Agreement entered into the Lock-Up Agreements;

**AND WHEREAS** the Parties intend that the issuance of the 3(a)(10) Securities will be exempt from the registration requirements of the 1933 Act pursuant to Section 3(a)(10) thereof and applicable U.S. state securities laws in reliance upon similar exemptions therefrom;

**NOW THEREFORE** in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, the Parties hereto hereby covenant and agree as follows:

## ARTICLE 1 DEFINITIONS, INTERPRETATION AND SCHEDULES

### 1.1 Definitions

In this Agreement (including the recitals hereof), unless the context otherwise requires, the following words and terms shall have the meanings ascribed to them below:

- (a) “**Aboriginal Group**” includes any Indian or Indian Band (as those terms are defined in the *Indian Act* (Canada)), First Nation person or people, Métis person or people, aboriginal person or people, native person or people, indigenous person or people, or any person or group asserting or otherwise claiming an aboriginal right (including aboriginal title) or any other aboriginal or Métis interest, and any Person or group representing, or purporting to represent, any of the foregoing;
- (b) “**affiliate**” has the meaning ascribed thereto in the Canadian Securities Administrators’ National Instrument 45-106 – *Prospectus Exemptions*, unless stated otherwise;
- (c) “**Agreement**” means this arrangement agreement, together with the schedules attached hereto, as amended, amended and restated or supplemented from time to time;
- (d) “**Alamos**” shall have the meaning ascribed thereto on the first page of this Agreement;
- (e) “**Alamos Acquisition Proposal**” means any proposal, offer or expression of interest from any Person or group of Persons acting “jointly or in concert”, other than Carlisle and its affiliates, to, directly or indirectly, acquire in any manner all or substantially all of the assets of Alamos and the Alamos Subsidiaries, on a consolidated basis, or more than 20% of the Alamos Shares, in each case, whether by way of merger, amalgamation, statutory arrangement, recapitalization, take-over bid, issuer bid, exchange offer, sale of assets, joint venture earn-in right, liquidation, winding-up, sale or redemption of a material number of shares or rights or interests therein or thereto or similar transactions involving Alamos or any of its securityholders or any other Person whether by way of a single or multistep transaction or series of related transactions, or a written proposal to do so;
- (f) “**Alamos Arrangement Warrant**” means one whole share purchase warrant entitling the holder thereof to purchase one Alamos Share at a price of \$10.00 until 5:00 p.m. (Toronto time) on the date that is three years following the Effective Date in accordance with the terms and conditions of a warrant indenture governing the terms of such warrant, in such form as is acceptable to Alamos and Carlisle, acting reasonably, all subject to adjustment in accordance with the terms of the warrant indenture;
- (g) “**Alamos Board**” means the board of directors of Alamos;
- (h) “**Alamos Disclosure Letter**” means the letter dated as of the date of this Agreement, delivered by Alamos to Carlisle pursuant to Section 3.3 with respect to certain matters in this Agreement;

- (i) **“Alamos Financial Statements”** shall have the meaning ascribed thereto in subsection 3.1(e);
- (j) **“Alamos Options”** means options to acquire Alamos Shares issued pursuant to or governed by the Alamos Stock Option Plan;
- (k) **“Alamos Predecessor Corporations”** means, collectively, those predecessor corporations of Alamos named Alamos Gold Inc. and AuRico;
- (l) **“Alamos Public Disclosure Documents”** means (i) the unaudited interim comparative consolidated financial statements of Alamos as at and for the three and six month period ended June 30, 2015; (ii) Alamos’ management’s discussion and analysis of the financial condition and results of operations of Alamos for the three and six month periods ended June 30, 2015; (iii) the joint management information circular of Alamos and AuRico Gold Inc. dated May 22, 2015 in respect of the special meetings of shareholders of Alamos and AuRico Gold Inc. held on June 24, 2015 (other than any disclosure in respect of AuRico Metals Inc. contained in the foregoing); (iv) the material change report of Alamos dated July 2, 2015 in respect of the completion of the plan of arrangement between Alamos and AuRico Gold Inc.; and (v) the business acquisition report dated August 7, 2015 in respect of the plan of arrangement between Alamos and AuRico Gold Inc., other than any “risk factor” disclosure contained in any of the foregoing;
- (m) **“Alamos Share Options”** shall have the meaning ascribed thereto in subsection 4.7(a);
- (n) **“Alamos Shares”** means the common shares in the capital of Alamos;
- (o) **“Alamos Subsidiaries”** means, collectively, the Subsidiaries of Alamos;
- (p) **“Alamos Termination Payment”** shall have the meaning ascribed thereto in Section 6.4;
- (q) **“Alamos Warrant Options”** shall have the meaning ascribed thereto in subsection 4.7(a);
- (r) **“Anti-Corruption Laws”** shall have the meaning ascribed thereto in subsection 3.1(p);
- (s) **“Arrangement”** means an arrangement pursuant to section 182 of the OBCA on the terms and conditions set forth in the Plan of Arrangement, subject to any amendment or supplement thereto made in accordance therewith, herewith or made at the direction of the Court either in the Interim Order or the Final Order or with the consent of Alamos and Carlisle, each acting reasonably;
- (t) **“Arrangement Resolution”** means the special resolution of the Carlisle Shareholders approving the Plan of Arrangement substantially in the form attached as Schedule B;
- (u) **“Articles of Arrangement”** means the articles of arrangement of Carlisle in respect of the Arrangement, to be sent to the Director pursuant to the OBCA after the Final Order is made, which shall be in form and substance satisfactory to Alamos and Carlisle, each acting reasonably;

- (v) **“AuRico”** means that predecessor corporation of Alamos which existed under the laws of Ontario as AuRico Gold Inc.;
- (w) **“AuRico Transactions”** means the transactions arising out of the agreements in November 2014 between AuRico and Carlisle including, without limitation, the Investor Rights Agreement and the Joint Venture Agreement;
- (x) **“Authorization”** means any authorization, order, permit, approval, grant, licence, registration, consent, right, notification, condition, franchise, privilege, certificate, judgment, writ, injunction, award, determination, direction, decision, decree, by-law, rule or regulation, whether or not having the force of Laws, and includes any Environmental Approval;
- (y) **“Business Day”** means any day, other than a Saturday, a Sunday or a statutory holiday in Toronto, Ontario or New York City, New York;
- (z) **“Carlisle”** shall have the meaning ascribed thereto on the first page of this Agreement;
- (aa) **“Carlisle Acquisition Proposal”** means, other than the transactions between the Parties contemplated by this Agreement, any proposal, offer or expression of interest from any Person or group of Persons acting “jointly or in concert”, other than Alamos or an Alamos Subsidiary, to, directly or indirectly, acquire in any manner more than 20% of the assets of Carlisle or more than 20% of the Carlisle Shares, in each case, whether by way of merger, amalgamation, statutory arrangement, recapitalization, take-over bid, issuer bid, exchange offer, sale of assets, joint venture earn-in right, liquidation, winding-up, sale or redemption of a material number of shares or rights or interests therein or thereto or similar transactions involving Carlisle or any of its securityholders or any other Person whether by way of a single or multistep transaction or series of related transactions, or a written proposal to do so;
- (bb) **“Carlisle Benefit Plan”** means all plans with respect to any Carlisle employees or service providers or former employees or former service providers which Carlisle is a party to or bound by or to which Carlisle has an obligation to contribute or with respect to which Carlisle may have any direct or indirect liability relating to retirement savings, pensions, bonuses, equity awards, profit sharing, deferred compensation, incentive compensation, life or accident insurance, hospitalization, health, medical or dental treatment or expenses, disability, unemployment insurance benefits, employee loans, vacation pay, severance or termination pay or other benefits, other than those benefits provided solely under a Statutory Plan;
- (cc) **“Carlisle Board”** means the board of directors of Carlisle;
- (dd) **“Carlisle Board Approval”** shall have the meaning ascribed thereto in subsection 3.2(d);
- (ee) **“Carlisle Circular”** means the notice of the Carlisle Meeting to be sent to Carlisle Shareholders and the management information circular to be prepared in connection with the Carlisle Meeting, together with any amendments thereto or supplements thereof, and

any other information circular or proxy statement which may be prepared in connection with the Carlisle Meeting;

- (ff) **“Carlisle Disclosure Letter”** means the letter dated as of the date of the Agreement, delivered by Carlisle to Alamos pursuant to Section 3.4 with respect to certain matters in this Agreement;
- (gg) **“Carlisle Financial Statements”** shall have the meaning ascribed thereto in subsection 3.2(m);
- (hh) **“Carlisle Meeting”** means the special meeting, including any adjournments or postponements thereof, of the Carlisle Shareholders to be held to consider, among other things, and, if deemed advisable, to approve, the Arrangement Resolution;
- (ii) **“Carlisle Mineral Rights”** shall have the meaning ascribed thereto in subsection 3.2(p)(i);
- (jj) **“Carlisle New Stock Option Plan”** means the directors’, management, employees’ and consultants’ stock option plan approved by the Carlisle Shareholders on July 18, 2011, the terms of which all Carlisle Options granted subsequent to August 12, 2011 are subject;
- (kk) **“Carlisle Old Stock Option Plan”** means the directors’, management, employees’ and consultants’ stock option plan approved by the Carlisle Shareholders in 2006, the terms of which all Carlisle Options granted on or prior to August 12, 2011 are subject;
- (ll) **“Carlisle Option Plans”** means, collectively, the Carlisle Old Stock Option Plan and the Carlisle New Stock Option Plan;
- (mm) **“Carlisle Options”** means options issued pursuant to, or governed by, either the Carlisle Old Stock Option Plan or the Carlisle New Stock Option Plan, as the case may be;
- (nn) **“Carlisle Permitted Encumbrances”** means:
  - (i) minor title defects or irregularities or servitudes, easements, restrictions, encroachments, covenants, rights of way and other similar rights or restrictions in real property or mineral property, or any interest therein, whether registered or unregistered, provided the same are not of such nature as to materially impair the operation or enjoyment of the Carlisle Property or Carlisle Mineral Rights for mineral exploration, development and mining purposes;
  - (ii) undetermined or inchoate liens, charges and privileges (including mechanics’, construction, carriers’, workers’, repairers’, storers’ or similar liens) which individually or in the aggregate are not material, arising or incurred in the ordinary course of business of Carlisle;
  - (iii) statutory liens, adverse Claims or Encumbrances of any nature whatsoever claimed or held by any Governmental Entity that have not at the time been filed



or registered against the title to the Carlisle Property or Carlisle Mineral Rights or served upon Carlisle pursuant to Law or that relate to obligations not due or delinquent, save and except for statutory liens, adverse Claims or Encumbrances related to Taxes which are due and payable;

- (iv) the reservations, limitations and exceptions in any original grants from any Governmental Entity of any real property or mineral property or interest therein and statutory exceptions to title that do not materially detract from the value of the Carlisle Property or Carlisle Mineral Rights or materially impair the operation or enjoyment of the Carlisle Property or Carlisle Mineral Rights for mineral exploration, development and mining purposes; and
- (v) the Encumbrances listed in Schedule C attached hereto;
- (oo) **“Carlisle Property”** shall have the meaning ascribed thereto in subsection 3.2(p)(i);
- (pp) **“Carlisle Public Disclosure Documents”** means all documents filed by Carlisle on SEDAR on or after September 1, 2014 and before the date hereof other than any “risk factor” disclosure contained therein;
- (qq) **“Carlisle Rights Plan”** means the shareholder rights plan agreement between Carlisle and Equity Financial Trust Company dated November 11, 2013, as re-approved, extended and ratified by the Carlisle Shareholders on January 15, 2015;
- (rr) **“Carlisle Shareholders”** means, at any time, the holders of Carlisle Shares;
- (ss) **“Carlisle Shares”** means the common shares in the capital of Carlisle;
- (tt) **“Carlisle Termination Payment”** shall have the meaning ascribed thereto in Section 6.3;
- (uu) **“Carlisle Warrants”** means the outstanding common share purchase warrants and finders’ warrants to purchase Carlisle Shares issued by Carlisle;
- (vv) **“Certificate of Arrangement”** means the certificate of arrangement giving effect to the Arrangement, issued pursuant to section 183(2) of the OBCA;
- (ww) **“Change in Recommendation”** shall have the meaning ascribed thereto in subsection 4.1(a)(ii);
- (xx) **“Claims”** means any and all debts, costs, expenses, liabilities, obligations, losses and damages, penalties, proceedings, actions, suits, assessments, reassessments or claims of whatsoever nature or kind including regulatory or administrative (whether or not under common law, on the basis of contract, negligence, strict or absolute liability or liability in tort, or arising out of requirements of applicable Laws), imposed on, incurred by, suffered by, or asserted against any Person or any property, absolute or contingent, and, except as otherwise expressly provided herein, includes all reasonable out-of-pocket costs, disbursements and expenses paid or incurred by such Person in defending any action;

- (yy) “**Code**” means the United States Internal Revenue Code of 1986, as amended;
- (zz) “**Completion Deadline**” means February 15, 2016;
- (aaa) “**Consolidation**” means the consolidation of the issued and outstanding Carlisle Shares on the basis of one post-consolidation Carlisle Share for every six and one-half pre-consolidation Carlisle Shares, approved by way of special resolution of Carlisle Shareholders on January 15, 2015 and completed on February 28, 2015;
- (bbb) “**Court**” means the Ontario Superior Court of Justice (Commercial List);
- (ccc) “**Director**” means the Director appointed pursuant to Section 278 of the OBCA;
- (ddd) “**Dissent Rights**” means the rights of dissent in respect of the Arrangement described in Article 3 of the Plan of Arrangement;
- (eee) “**Effective Date**” means the date upon which the Arrangement becomes effective as established by the date shown on the Certificate of Arrangement;
- (fff) “**Effective Time**” means 12:01 a.m. (Toronto time) on the Effective Date;
- (ggg) “**Eligible Shareholder**” means a beneficial holder of Carlisle Shares that is: (i) a resident of Canada for purposes of the Tax Act and not exempt under Part I of the Tax Act; (ii) a non-resident of Canada for purposes of the Tax Act whose Carlisle Shares are “**taxable Canadian property**” and not “**treaty-protected property**”, in each case as defined in the Tax Act; or (iii) a partnership, any member of which is described in (i) or (ii) or a non-resident of Canada for purposes of the Tax Act and who is not exempt from Canadian Tax in respect of any gain realized on the disposition of Carlisle Shares by the partnership by reason of an exemption contained in an applicable income tax treaty or convention;
- (hhh) “**Encumbrance**” means any mortgage, pledge, assignment, charge, lien, claim, security interest, adverse interest, other third Person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing, but does not include, when such term is used in reference to Carlisle, any Carlisle Permitted Encumbrance;
- (iii) “**Environmental Approvals**” means all permits, certificates, licences, authorizations, consents, instructions, registrations, directions, approvals, decisions, decrees, conditions, notifications, orders, demands or Claims, whether or not having the force of law, issued or required by any Governmental Entity pursuant to any Environmental Laws;
- (jjj) “**Environmental Laws**” means all applicable Laws whether foreign or domestic, including applicable common law and civil law, for the protection of the natural environment and human health and safety and for the regulation of contaminants, pollutants, waste, toxic and hazardous substances, and includes Environmental Approvals;

- (kkk) **“Exchange Ratio”** means 0.0942, subject to adjustment in accordance with the terms hereof;
- (lll) **“Final Order”** means the order made after application to the Court approving the Arrangement, as such order may be amended by the Court at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;
- (mmm) **“Financial Indebtedness”** means in relation to a person (the **“debtor”**), an obligation or liability (contingent or otherwise) of the debtor (a) for borrowed money (including overdrafts and including amounts in respect of principal, premium, interest or any other sum payable in respect of borrowed money) or for the deferred purchase price of property or services, (b) under any loan, stock, bond, note, debenture or other similar instrument or debt security, (c) under any acceptance credit, bankers’ acceptance, guarantee, letter of credit or other similar facilities, (d) under any conditional sale, hire purchase or title retention agreement with respect to property, under any capitalized lease arrangement, under any sale and lease back arrangement or under any lease or any other agreement having the commercial effect of a borrowing of money or treated as a finance lease or capital lease in accordance with applicable accounting principles, (e) under any foreign exchange transaction, any interest or currency swap transaction, any fuel or commodity hedging transaction or any other kind of derivative transaction, (f) in respect of any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution, (g) in respect of preferred stock (namely capital stock of any class that is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution, over the capital stock of any other class) or redeemable capital stock (namely any class or series of capital stock that, either by its terms, by the terms of any security into which it is convertible or exchangeable or by contract or otherwise, is, or upon the happening of an event or passage of time would be, required to be redeemed on a specified date or is redeemable at the option of the holder thereof at any time, or is convertible into or exchangeable for debt securities at any time), (h) for any amount raised under any transaction similar in nature to those described in paragraphs (a) to (g) of this definition, or otherwise having the commercial effect of borrowing money, or (i) under a guarantee, indemnity or similar obligation entered into by the debtor in respect of an obligation or liability of another Person which would fall within paragraphs (a) to (h) of this definition if the references to the debtor referred to the other Person;
- (nnn) **“Governmental Entity”** means any: (i) supranational, international, multinational, national, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, stock exchange or agency, whether domestic or foreign; (ii) any subdivision, agency, commission, board or authority of any of the foregoing; or (iii) any quasi-governmental or private body exercising any regulatory, expropriation, land use or occupation, or taxing authority under or for the account of any of the foregoing;

- (ooo) “**IFRS**” means International Financial Reporting Standards as issued by the International Accounting Standards Board;
- (ppp) “**including**” means including, without limitation;
- (qqq) “**Intellectual Property**” means, with respect to a Person, all registered patents, copyrights, trade-marks, trade-names, service marks, logos, commercial symbols and industrial designs, (including applications for all of the foregoing, and renewals, divisions, extensions and reissues, where applicable, relating thereto) owned by or licensed to the Person or its Subsidiaries;
- (rrr) “**Interim Order**” means the order made after application to the Court, containing declarations and directions in respect of the notice to be given in respect of, and the conduct of, the Carlisle Meeting and the Arrangement, as such order may be amended, supplemented or varied by the Court;
- (sss) “**Investor Rights Agreement**” means the Investor Rights Agreement dated November 10, 2014 between Carlisle and AuRico Gold Inc. (predecessor to Alamos);
- (ttt) “**Joint-Venture Agreement**” means the joint-venture and earn-in agreement dated November 10, 2014 between Carlisle and AuRico Gold Inc. (predecessor to Alamos);
- (uuu) “**Kingstone**” means Kingstone Royalty Corp., a corporation existing under the laws of Ontario;
- (vvv) “**Kingstone Founder**” means Abraham Drost;
- (www) “**Laws**” means all laws, by-laws, statutes, rules, regulations, orders, ordinances, protocols, codes, guidelines, instruments, policies, notices, directions and judgments or other requirements of any Governmental Entity, including U.S. Securities Laws;
- (xxx) “**Liability**” means, in respect of any Person: (i) any right against such Person to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; (ii) any right against such Person to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to any equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured; and (iii) any obligation of such Person for the performance of any covenant or agreement (whether for the payment of money or otherwise), in each case, whether accrued, absolute, contingent or otherwise;
- (yyy) “**Lock-Up Agreements**” means the voting and support agreements dated the date hereof and made between Alamos and each of the Locked-Up Shareholders;
- (zzz) “**Locked-Up Shareholders**” means each of the officers and directors of Carlisle (other than those directors who are nominees of Alamos);

- (aaaa) **“Material Adverse Effect”** means, in respect of Alamos or Carlisle, any one or more changes, events, occurrences or state of facts, which, either individually or in the aggregate, are, or would reasonably be expected to be, material and adverse to the business, operations, results of operations, assets, Liabilities, financial condition or continued ownership, development and operation of its properties, of Alamos and the Alamos Subsidiaries, on a consolidated basis, or Carlisle, respectively, other than any change, effect, event, occurrence or state of facts: (i) relating to the global economy or securities or commodities markets in general and which does not have a materially disproportionate effect on Alamos and the Alamos Subsidiaries on a consolidated basis, or Carlisle, respectively, relative to other companies operating in the same industries and locations as Alamos and the Alamos Subsidiaries, or Carlisle, respectively; (ii) affecting the worldwide gold and silver mining industry in general and which does not have a materially disproportionate effect on Alamos and the Alamos Subsidiaries on a consolidated basis, or Carlisle, respectively, relative to other companies operating in the same industries and locations as Alamos and the Alamos Subsidiaries or Carlisle, respectively; (iii) resulting from changes in the price of gold and silver and which does not have a materially disproportionate effect on Alamos and the Alamos Subsidiaries on a consolidated basis, or Carlisle, respectively, relative to other companies operating in the same industries and locations as Alamos and the Alamos Subsidiaries or Carlisle, respectively; (iv) relating to any change in applicable Laws or in the interpretation thereof by any Governmental Entity, provided that it does not have a materially disproportionate effect on Alamos and the Alamos Subsidiaries on a consolidated basis, or Carlisle, respectively, relative to other companies operating in the same industries and locations as Alamos and the Alamos Subsidiaries, or Carlisle, respectively; (v) relating to the rate at which Canadian dollars can be exchanged for United States dollars or any relevant foreign currency or *vice versa*; (vi) resulting from any natural disaster; (vii) relating to a change in the market trading price of publicly traded securities of Alamos or Carlisle, either: (A) related to this Agreement and the Arrangement or the performance of any obligation hereunder or the announcement thereof, or (B) primarily resulting from a change, effect, event, occurrence or state of facts excluded from this definition of Material Adverse Effect under clauses (i), (ii), (iii), (iv), (v), (vi), (viii) or (ix) hereof; (viii) relating to any generally applicable change in applicable accounting principles; or (ix) resulting from the announcement of this Agreement, the pendency of the transactions contemplated herein or compliance with the covenants herein or the satisfaction of the conditions herein; and references in this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, interpretive of the amount used for the purpose of determining whether a Material Adverse Effect has occurred or whether a state of facts exists that has or could have a Material Adverse Effect;
- (bbbb) **“MI 61-101”** means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* of the Canadian Securities Administrators;
- (cccc) **“NI 43-101”** means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators;
- (dddd) **“NI 52-109”** means National Instrument 52-109 – *Certification of Disclosure in Issuer’s Annual and Interim Filings* of the Canadian Securities Administrators;

- (eeee) “**NYSE**” means the New York Stock Exchange;
- (ffff) “**OBCA**” means the *Business Corporations Act* (Ontario);
- (gggg) “**Parties**” shall have the meaning ascribed thereto on the first page of this Agreement;
- (hhhh) “**Pending Acquisition Proposal**” shall have the meaning ascribed thereto in subsection 6.3(b);
- (iiii) “**Person**” means an individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status;
- (jjjj) “**PFIC**” means a passive foreign investment company for U.S. federal income tax purposes;
- (kkkk) “**Plan of Arrangement**” means a Plan of Arrangement substantially in the form and content of Schedule A attached hereto and any amendment or variation thereto made in accordance with Article 5 of the Plan of Arrangement or Section 7.1 hereof;
- (llll) “**Representatives**” has the meaning ascribed thereto in subsection 6.1(a);
- (mmmm) “**Response Period**” shall have the meaning ascribed thereto in subsection 6.2(a)(v);
- (nnnn) “**SEC**” means the United States Securities Exchange Commission;
- (oooo) “**Section 3(a)(10) Exemption**” shall have the meaning ascribed thereto in Section 2.7;
- (pppp) “**Section 85 Election**” shall have the meaning ascribed thereto in Section 2.6(a);
- (qqqq) “**Securities Authorities**” means collectively, the Ontario Securities Commission and the other securities regulatory authorities in the provinces and territories of Canada, as the context requires;
- (rrrr) “**Statutory Plan**” means a statutory benefit plan which Carlisle is required to participate in or comply with, including the Canada Pension Plan and Quebec Pension Plan and plans administered pursuant to applicable health tax, workplace safety insurance and employment insurance legislation;
- (ssss) “**Subsidiary**” has the meaning specified in National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators in effect on the date of this Agreement, and “**Subsidiaries**” means more than one Subsidiary;
- (tttt) “**Superior Proposal**” means any *bona fide* unsolicited written Carlisle Acquisition Proposal made by an arm’s length third party that is made after the execution of this Agreement (and not obtained in violation of Section 6.1 of this Agreement), to acquire all or substantially all of the assets of Carlisle (on a consolidated basis) or 100% of the Carlisle Shares not beneficially owned by the party making such Carlisle Acquisition



Proposal and any joint actor or any of their respective affiliates, whether by way of a single or multistep transaction or a series of related transactions, and that the Carlisle Board unanimously determines in its good faith (based upon the advice from its financial advisors and outside legal counsel): (i) is reasonably capable of being completed without undue delay, taking into account all legal, financial, regulatory and other aspects of such proposal and the party making such proposal; (ii) is not subject to any financing condition; (iii) is not subject to a due diligence or access to information condition; (iv) in the case of an offer to acquire all of the issued and outstanding Carlisle Shares, is made to all Carlisle Shareholders (other than the party making such Carlisle Acquisition Proposal and any joint actor or any of their respective affiliates) on the same terms and conditions (including the form and the amount of consideration); (v) would, if consummated in accordance with its terms, but not assuming away any risk of non-completion, result in a transaction more favourable to Carlisle Shareholders (other than Alamos and its affiliates and any of their respective joint actors and their respective affiliates) from a financial point of view than the terms of the Arrangement (including any adjustment to such terms proposed by Alamos as contemplated by subsection 6.2(b)); and (vi) failure to recommend such Carlisle Acquisition Proposal to the Carlisle Shareholders would be inconsistent with the Carlisle Board's fiduciary duties under applicable Law;

- (uuuu) **“Tax”** and **“Taxes”** means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Entity, including all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, ad valorem taxes, value added taxes, transfer taxes (including, without limitation, taxes relating to the transfer of interests in real property or entities holding interests therein), franchise taxes, licence taxes, withholding taxes, payroll taxes, employment taxes, Canada Pension Plan or Quebec Pension Plan premiums, excise, severance, social security, workers' compensation, employment insurance or compensation taxes or premiums, stamp taxes, occupation taxes, premium taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, harmonized sales tax, customs duties or other taxes, fees, imports, assessments or charges of any kind whatsoever, together with any interest and any penalties or additional amounts imposed by any Governmental Entity, with respect to the foregoing;
- (vvvv) **“Tax Act”** means the *Income Tax Act* (Canada), as amended;
- (wwwv) **“Tax Returns”** means all returns, schedules, elections, declarations, reports, information returns, notices, forms, statements and other documents made, prepared or filed with any Governmental Entity or required to be made, prepared or filed with any Governmental Entity relating to Taxes;
- (xxxx) **“Transaction Documents”** means collectively, this Agreement, the Alamos Disclosure Letter, the Carlisle Disclosure Letter, the Plan of Arrangement and any Schedules attached hereto and thereto;

- (yyyy) “**TSX**” means the Toronto Stock Exchange;
- (zzzz) “**U.S. Securities Laws**” means the 1933 Act, the 1934 Act and any applicable U.S. state securities laws;
- (aaaaa) “**Valuation and Fairness Opinion**” means the verbal and the subsequent written formal valuation report of Haywood Securities Inc., the financial advisor to the special committee of the Carlisle Board, to the effect that, as of the date of such formal valuation and subject to the qualifications and limitations set forth therein, the fair market value of the Carlisle Shares is in the range of \$0.40 to \$0.56 and the verbal and subsequent written opinion of Haywood Securities Inc. that the consideration being offered under the Arrangement to Carlisle Shareholders (other than Alamos) is fair, from a financial point of view, to such holders;
- (bbbbb) “**1933 Act**” means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated from time to time thereunder;
- (ccccc) “**1934 Act**” means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated from time to time thereunder;
- (ddddd) “**1940 Act**” means the United States Investment Company Act of 1940, as amended, and the rules and regulations promulgated from time to time thereunder; and
- (eeeeee) “**3(a)(10) Securities**” means one or more of, or all of, as applicable, the Alamos Shares and the Alamos Arrangement Warrants.

## 1.2 Interpretation Not Affected by Headings

The division of this Agreement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. The terms “**this Agreement**”, “**hereof**”, “**herein**”, “**hereto**”, “**hereunder**” and similar expressions refer to this Agreement and the schedules attached hereto and not to any particular article, section or other portion hereof and include any agreement, schedule or instrument supplementary or ancillary hereto or thereto. Unless the contrary intention appears, references in this Agreement to an Article, Section, subsection, paragraph or Schedule by number or letter or both refer to the Article, Section, subsection, paragraph or Schedule, respectively, bearing that designation in this Agreement.

## 1.3 Number and Gender

In this Agreement, unless the context otherwise requires, words importing the singular only shall include the plural and *vice versa*, words importing the use of either gender shall include both genders and neuter.



#### **1.4 Date for any Action**

If the date on which any action is required to be taken hereunder by any Party hereto is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day.

#### **1.5 Statutory References**

Unless otherwise stated, any reference in this Agreement to a statute includes all regulations and rules made thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

#### **1.6 Currency**

Unless otherwise stated, all references in this Agreement to amounts of money are expressed in lawful money of Canada.

#### **1.7 Invalidity of Provisions**

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable Laws, the Parties hereto waive any provision of Law that renders any provision of this Agreement or any part thereof invalid or unenforceable in any respect. The Parties hereto will engage in good faith negotiations to replace any provision hereof or any part thereof that is declared invalid or unenforceable with a valid and enforceable provision or part thereof, the economic effect of which approximates as much as possible the invalid or unenforceable provision or part thereof that it replaces.

#### **1.8 Certain References**

References to any contract, licence, lease, agreement, indenture, arrangement or commitment shall be a reference to such contract, licence, lease, agreement, indenture, arrangement or commitment, as amended, modified or supplemented from time to time in accordance with the terms thereof.

#### **1.9 Accounting Matters**

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature required to be made hereunder shall be made in a manner consistent with IFRS.

#### **1.10 Knowledge**

Where the phrases “**to the knowledge of Alamos**” or “**to Alamos’s knowledge**” or “**to the knowledge of Carlisle**” or “**to Carlisle’s knowledge**” are used in respect of Alamos, the Alamos Subsidiaries or Carlisle, as applicable, such phrase shall mean, in respect of each representation and warranty or other statement which is qualified by such phrase, that such representation and warranty or

other statement is being made based upon: (a) in the case of Alamos and the Alamos Subsidiaries, the collective knowledge, after reasonable inquiry, of certain officers or directors of Alamos and the Alamos Subsidiaries set forth in the Alamos Disclosure Letter and without personal liability; and (b) in the case of Carlisle, the collective knowledge, after reasonable inquiry, of certain officers or directors of Carlisle set forth in the Carlisle Disclosure Letter and without personal liability.

### **1.11 Meaning of Certain Phrase**

In this Agreement the phrase “**in the ordinary and regular course of business**” or “**ordinary course**” and similar expressions shall, as applicable, mean and refer to (i) those activities that are normally conducted by Persons engaged in the exploration for gold deposits and in the development and production of such deposits and/or (ii) the ordinary course of business conduct of a Party (or its Subsidiaries) in a commercially reasonable and business-like manner consistent with the past practices of the Party.

### **1.12 Subsidiaries**

To the extent any representations, warranties, covenants or agreements contained herein relate, directly or indirectly, to a Subsidiary of Alamos or Carlisle, each such provision shall be construed as a covenant by Alamos or Carlisle to cause (to the fullest extent to which it is legally capable) such Subsidiary to perform the required action.

### **1.13 Schedules**

The following schedules are attached to, and are deemed to be incorporated into and form part of, this Agreement:

<b><u>Schedule</u></b>	<b><u>Matter</u></b>
<b>A</b>	<b>Plan of Arrangement</b>
<b>B</b>	<b>Form of Arrangement Resolution</b>
<b>C</b>	<b>Carlisle Permitted Encumbrances</b>

## **ARTICLE 2 THE ARRANGEMENT**

### **2.1 Arrangement**

Alamos and Carlisle agree that the Arrangement will be implemented in accordance with, and subject to the terms and conditions contained in, this Agreement and the Plan of Arrangement.

### **2.2 Effective Time**

The Arrangement shall become effective at the Effective Time on the Effective Date. The Articles of Arrangement shall be filed by Carlisle with the Director on the later of:

- (a) the third Business Day after the satisfaction or, where not prohibited, the waiver by the applicable Party or Parties in whose favour the condition is, of the conditions set forth in

Sections 5.1, 5.2 and 5.3 (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or, where not prohibited, the waiver by the applicable Party or Parties in whose favour the condition is, of those conditions as of the Effective Date); and

- (b) January 7, 2016,

but in any event no later than the Completion Deadline, unless another time or date is agreed to in writing by the Parties.

### **2.3 Consultation**

- (a) Alamos and Carlisle shall each publicly announce the transactions contemplated hereby promptly following the execution of this Agreement by the Parties, by way of joint or separate press release(s) to be approved by the Parties in advance, acting reasonably. Alamos and Carlisle agree to co-operate in the preparation of presentations, if any, to the Carlisle Shareholders regarding the transactions contemplated by this Agreement.
- (b) Alamos and Carlisle will consult with the other in respect of issuing any press release or otherwise making any public statement with respect to this Agreement or the Arrangement, Carlisle's business or operations and in making any filing with any Governmental Entity, including any Securities Authority or stock exchange with respect thereto. Each of Alamos and Carlisle shall use commercially reasonable efforts to enable the other of them to review and comment on all such press releases, public statements and filings prior to the release or filing, respectively, thereof; provided, however, that the obligations herein will not prevent a Party from making, after consultation with the other Party, such disclosure as is required by applicable Laws or the rules and policies of any applicable stock exchange. Reasonable consideration shall be given to any comments made by the other Party and its counsel. Each of Alamos and Carlisle agrees that Carlisle will file the material change report required to be filed following the public announcement of this Agreement by Carlisle not earlier than the tenth day following such announcement and that a copy of this Agreement will only be publicly filed on the date such material change report is filed and the filed Agreement (including the Carlisle Disclosure Letter and the Alamos Disclosure Letter) will contain such redactions as each Party may reasonably request, provided such redactions are permitted by applicable Law.

### **2.4 Court Proceedings**

Carlisle shall apply to the Court for the Interim Order and Final Order as follows:

- (a) as soon as is reasonably practicable after the date hereof, Carlisle shall make and diligently prosecute an application to the Court for the Interim Order, which application shall be in form and substance satisfactory to Alamos and Carlisle, each acting reasonably, and shall request that the Interim Order shall provide, among other things:
  - (i) for the calling and holding of the Carlisle Meeting for the purpose of considering and, if deemed advisable, approving the Arrangement;

- (ii) for the classes of Persons to whom notice is to be provided in respect of the Arrangement and the Carlisle Meeting and for the manner in which such notice is to be provided;
  - (iii) that the requisite approval for the Arrangement Resolution shall be 66 2/3% of the votes cast on the Arrangement Resolution by the Carlisle Shareholders present in person or represented by proxy at the Carlisle Meeting, voting together as a single class, together with, if required by MI 61-101, minority approval in accordance with Section 8.1 of MI 61-101 or as modified by the Interim Order;
  - (iv) that, except as modified by the Interim Order, in all other respects, the terms, conditions and restrictions of Carlisle's constituting documents, including quorum requirements and other matters, shall apply in respect of the Carlisle Meeting;
  - (v) for the grant of the Dissent Rights as set forth in the Plan of Arrangement;
  - (vi) that the Carlisle Meeting may be adjourned or postponed from time to time by management of Carlisle, subject to the terms of this Agreement, without the need for additional approval of the Court;
  - (vii) confirmation of the record date for the purposes of determining the Carlisle Shareholders entitled to receive notice of, and vote at, the Carlisle Meeting in accordance with the Interim Order;
  - (viii) that the record date for Carlisle Shareholders entitled to notice of, and to vote at, the Carlisle Meeting shall not change in respect of any adjournment(s) or postponement(s) of the Carlisle Meeting or any other change;
  - (ix) for the notice requirements with respect to the presentation of the application to the Court for the Final Order; and
  - (x) for such other matters as Alamos or Carlisle may reasonably require, subject to obtaining the prior consent of the other Party, such consent not to be unreasonably withheld, delayed or conditioned; and
- (b) subject to approval of the Arrangement Resolution by the Carlisle Shareholders at the Carlisle Meeting in accordance with the terms of the Interim Order, Carlisle shall forthwith make and diligently prosecute an application to the Court for the Final Order, which application shall be in form and substance satisfactory to Alamos and Carlisle, each acting reasonably, and Alamos and Carlisle shall diligently take steps to ensure that the Final Order hearing is held within three Business Days of the approval of the Arrangement Resolution at the Carlisle Meeting.

Carlisle will provide legal counsel for Alamos with reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement, and will give reasonable consideration to all such comments. Carlisle will also provide legal counsel to Alamos, on a timely basis, with copies of any notice of appearance and evidence served on Carlisle or its legal counsel in respect of the application for the Interim Order and the Final Order or any appeal

therefrom. Subject to applicable Law, Carlisle will not file any material with the Court or serve any such material and will not agree to modify or amend materials so filed or served, except with Alamos's prior written consent, such consent not to be unreasonably withheld, delayed or conditioned, provided that nothing herein shall require Alamos to agree or consent to any increase in consideration payable pursuant to the Arrangement or expansion of its obligations.

## **2.5 Closing**

The closing of the Arrangement will take place at the offices of Torys LLP, Toronto, Ontario at 8:00 a.m. (Toronto time) on the Effective Date or at such other time as the Parties may agree.

## **2.6 Tax Treatment and Withholding Taxes**

- (a) An Eligible Shareholder whose Carlisle Shares are exchanged for Alamos Shares and Alamos Arrangement Warrants pursuant to the Arrangement shall be entitled to make an income tax election pursuant to section 85 of the Tax Act (and any analogous provision of provincial income tax law) (a "**Section 85 Election**") with respect to the exchange by providing the necessary information in accordance with the procedures set out in a tax instruction letter on or before the date that is ninety (90) days after the Effective Date. Neither Carlisle, Alamos, nor any successor corporation shall be responsible for the proper completion of any election form nor, except for the obligation to sign and return duly completed election forms which are received within ninety (90) days of the Effective Date, for any taxes, interest or penalties resulting from the failure of an Eligible Shareholder to properly complete or file such election forms in the form and manner and within the time prescribed by the Tax Act (or any applicable provincial income tax law). In its sole discretion, Alamos or any successor corporation may choose to sign and return an election form received by it more than ninety (90) days following the Effective Date, but will have no obligation to do so.
- (b) The Arrangement is intended to qualify as a reorganization within the meaning of Section 368(a) of the Code and the Treasury Regulations promulgated thereunder, and this Agreement is intended to be a "plan of reorganization" within the meaning of the Treasury Regulations promulgated under Section 368 of the Code. Each Party agrees to treat the Arrangement as a reorganization within the meaning of Section 368(a) of the Code for all United States federal income tax purposes, and agrees to treat this Agreement as a "plan of reorganization" within the meaning of the Treasury Regulations promulgated under Section 368 of the Code, and to not take any position on any Tax Return or otherwise take any Tax reporting position inconsistent with such treatment, unless otherwise required by a "determination" within the meaning of Section 1313 of the Code that such treatment is not correct. Each Party agrees to act in good faith, consistent with the intent of the Parties and the intended treatment of the Arrangement as set forth herein. The Arrangement is intended to allow the Carlisle Shares held by Carlisle Shareholders to be converted to Alamos Shares and Alamos Arrangement Warrants, on a tax-deferred basis for United States federal income tax purposes.
- (c) Any Person shall be entitled to deduct or withhold from any dividend or amount otherwise payable to any other Person hereunder such amounts as such Person is required

or permitted to deduct or withhold with respect to such payment under the Tax Act, the U.S. Tax Code or any provision of provincial, state, local or foreign Tax Law, in each case as amended. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes under this Agreement as having been paid to the Person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate taxing authority. The Person is hereby authorized to withhold and sell, or otherwise require the other Person to irrevocably direct the sale through a broker and irrevocably direct the broker to pay the proceeds of such sale of, such portion of any share or other security otherwise issuable to the other Person as is necessary to provide sufficient funds to the Person, to enable it to comply with such deduction or withholding requirement and the Person shall notify the other Person and remit the applicable portion of the net proceeds of such sale to the appropriate taxing authority. Notwithstanding the foregoing, the Person shall not withhold securities where the other Person has made arrangements to satisfy any withholding taxes, in advance, to the satisfaction of the Person.

## 2.7 U.S. Securities Law Matters

The Parties intend that the issuance of the 3(a)(10) Securities under the Arrangement will be exempt from the registration requirements of the 1933 Act pursuant to Section 3(a)(10) thereof (the “**Section 3(a)(10) Exemption**”), will not be subject to registration or qualification under state “blue sky” or securities laws and will otherwise be in compliance with all U.S. Securities Laws. Each Party agrees to act in good faith, consistent with the intent of the Parties and the intended treatment of the Arrangement set forth in this Section 2.7.

In order to ensure the availability of the Section 3(a)(10) Exemption, the Parties agree that the Arrangement will be carried out on the following basis:

- (a) the Arrangement will be subject to the approval of the Court;
- (b) the Court will be advised as to the intention of the Parties to rely on the Section 3(a)(10) Exemption prior to the hearing required to approve the Arrangement;
- (c) the Court will be required to satisfy itself as to the fairness of the Arrangement;
- (d) the Final Order will expressly state that the Arrangement is approved by the Court as being fair to the Persons to whom the 3(a)(10) Securities will be issued;
- (e) the Parties will ensure that each Person entitled to receive 3(a)(10) Securities on completion of the Arrangement will be given adequate notice advising them of their right to attend the hearing of the Court to approve the Final Order and providing them with sufficient information necessary for them to exercise that right;
- (f) each Person to whom 3(a)(10) Securities will be issued pursuant to the Arrangement will be advised that the 3(a)(10) Securities issued pursuant the Arrangement have not been registered under the 1933 Act and will be issued by Alamos in reliance upon the exemption from the registration requirements of the 1933 Act provided by Section 3(a)(10) of the 1933 Act and will be subject to certain restrictions on resale under the



securities laws of the United States, including, as applicable, Rule 144 under the 1933 Act with respect to securities issued to affiliates (as such term is defined under Rule 144 of the 1933 Act) of Alamos;

- (g) the Interim Order approving the Carlisle Meeting will specify that each Person to whom 3(a)(10) Securities will be issued pursuant to the Arrangement will have the right to appear before the Court at the hearing of the Court to approve the Final Order so long as such securityholder enters an appearance within a reasonable time; and
- (h) the Final Order shall include a statement to substantially the following effect:

“This Order will serve as the basis of a claim to an exemption, pursuant to Section 3(a)(10) of the United States Securities Act of 1933, as amended, from the registration requirements otherwise imposed by that act, regarding the distribution of securities of Alamos pursuant to the Plan of Arrangement.”

## **2.8 Collateral Benefits**

The Carlisle Board shall forthwith after the date hereof, and in sufficient time for the determination of such committee to be included in the Carlisle Circular, constitute a committee of independent directors meeting the requirements of MI 61-101 to determine whether the value of any additional benefit that any related party of Carlisle is expected to receive in connection with the Arrangement is or is not a “collateral benefit” as defined in MI 61-101 or is otherwise required to be disclosed in the Carlisle Circular.

## **2.9 Lock-Up Agreements**

Carlisle shall, concurrently with the execution and delivery to Alamos of this Agreement, deliver to Alamos duly executed Lock-Up Agreements, in a form acceptable to Alamos, acting reasonably, from each of the Locked-Up Shareholders.

# **ARTICLE 3 REPRESENTATIONS AND WARRANTIES**

## **3.1 Representations and Warranties of Alamos**

Except as disclosed in the Alamos Public Disclosure Record or except as expressly permitted by this Agreement, Alamos hereby represents and warrants to Carlisle, and hereby acknowledges that Carlisle is relying upon such representations and warranties in connection with entering into this Agreement and agreeing to complete the Arrangement, as follows:

- (a) Organization. Alamos has been amalgamated, is validly subsisting and has full corporate and legal power and authority to own its property and assets and to conduct its business as currently owned and conducted. Alamos is registered, licensed or otherwise qualified as an extra-provincial corporation, a corporation (in accordance with the laws of the country of domicile) or a foreign corporation in each jurisdiction where the nature of the business or the location or character of the property and assets owned or leased by it

requires it to be so registered, licensed or otherwise qualified, other than those jurisdictions where the failure to be so registered, licensed or otherwise qualified would not have a Material Adverse Effect on Alamos.

- (b) Capitalization. Alamos is authorized to issue an unlimited number of Alamos Shares. As at October 15, 2015 there were: (i) 255,881,152 Alamos Shares outstanding; and (ii) an aggregate of 17,446,567 Alamos Shares reserved for issue pursuant to outstanding options, warrants, convertible securities and other rights to acquire Alamos Shares. All issued and outstanding Alamos Shares have been authorized and are validly issued and outstanding as fully paid and non-assessable shares, free of pre-emptive rights. Except as stated in the first sentence of this subsection 3.1(b), and except as created pursuant to this Agreement and the transactions contemplated hereby, as of the date hereof, there are no options, warrants, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) obligating Alamos to issue or sell any securities of or interest in Alamos. As of the date hereof, Alamos is in compliance with the terms and conditions of all evidence of Financial Indebtedness of Alamos and has not received any notice of default or breach of, or termination under, any instruments governing Financial Indebtedness of Alamos, except in either case as would not, individually or in the aggregate, have a Material Adverse Effect on Alamos.
  
- (c) Authority. Alamos has all necessary power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by Alamos as contemplated by this Agreement, and to perform its obligations hereunder and under such other agreements and instruments. The execution and delivery of this Agreement by Alamos and all other agreements and instruments to be executed by Alamos as contemplated by this Agreement, and the completion by Alamos of the transactions contemplated herein and therein have been authorized by the Alamos Board and no other corporate proceedings on the part of Alamos are necessary to authorize this Agreement or to complete the transactions contemplated hereby or thereby. This Agreement has been executed and delivered by Alamos and constitutes a legal, valid and binding obligation of Alamos, enforceable against Alamos in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other applicable Laws relating to or affecting creditors' rights generally, and to general principles of equity. Subject to the receipt of the approvals set out in this subsection 3.1(c), the execution and delivery by Alamos of this Agreement and the performance by it of its obligations hereunder and the completion of the transactions contemplated hereby, do not and will not:
  - (i) result in a violation, contravention or breach of or constitute a default under, or entitle any Person to terminate, accelerate, modify or call any obligations or rights under, require any consent to be obtained under or give rise to any termination rights under any provision of:
    - (A) the articles and by-laws of Alamos,
    - (B) any Law or rules or policies of the TSX or NYSE, or



- (C) any credit agreement, note, bond, mortgage, indenture, supplemental indenture, deed of trust, lease, franchise, concession, easement, contract, agreement, Authorization, or other instrument to which Alamos or any of the Alamos Subsidiaries is bound or is subject to or of which Alamos or any of the Alamos Subsidiaries is the beneficiary,

in each case, which would, individually or in the aggregate, have a Material Adverse Effect on Alamos; or

- (ii) give rise to any right of termination or acceleration of Financial Indebtedness, or cause any Financial Indebtedness owing by Alamos to come due before its stated maturity or cause any available credit to cease to be available which would, individually or in the aggregate, have a Material Adverse Effect on Alamos.

No consent, approval, order or Authorization of, or declaration or filing with, any Governmental Entity or other Person is required to be obtained by Alamos in connection with the execution and delivery of this Agreement or the consummation by Alamos of the transactions contemplated hereby other than: (i) in connection with or in compliance with applicable securities Laws; (ii) the Interim Order and any approvals required by the Interim Order; (iii) the Final Order and any approvals required by the Final Order; (iv) filings required under the OBCA (including the Articles of Arrangement); (v) filings with and approvals required by the Securities Authorities, the SEC, TSX and NYSE; and (vi) any other consents, approvals, orders, authorizations, declarations or filings which, if not obtained, would not, individually or in the aggregate, have a Material Adverse Effect on Alamos.

- (d) Absence of Changes. Since December 31, 2014, there has not occurred a Material Adverse Effect with respect to Alamos.
- (e) Financial Matters. The audited consolidated financial statements of each of the Alamos Predecessor Corporations as at and for the financial years ended December 31, 2014 (collectively, the “**Alamos Financial Statements**”) were prepared in accordance with IFRS and present fairly, in all material respects, the respective consolidated financial positions of the Alamos Predecessor Corporations at the respective dates indicated, and their respective financial performance and cash flows for the years then ended.

Alamos maintains a system of disclosure controls and procedures (as such term is defined in NI 52-109) to provide reasonable assurance that (i) material information relating to Alamos is made known to Alamos’s management, including its chief financial officer and chief executive officer, particularly during the periods in which Alamos’s interim filings and annual filings (as such terms are defined in NI 52-109) are being prepared; and (ii) information required to be disclosed by Alamos in its annual filings, interim filings or other reports filed or submitted by it under applicable securities Laws are recorded, processed, summarized and reported within the time periods specified in applicable securities Laws. Alamos maintains a system of internal control over financial reporting (as such term is defined in NI 52-109) that is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements

for external purposes in accordance with IFRS. Since December 31, 2014, there has been no change in Alamos's or any of the Alamos Predecessor Corporations' internal control over financial reporting that has materially affected, or is reasonably likely to materially affect Alamos's internal control over financial reporting.

Since December 31, 2014, neither Alamos nor, to Alamos's knowledge, any director, officer, employee, auditor, accountant or representative of Alamos or any of the Alamos Predecessor Corporations has received or otherwise had or obtained knowledge of any complaint, allegation, assertion, or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods of Alamos or any of the Alamos Predecessor Corporations or their respective internal accounting controls which has not been resolved to the satisfaction of the audit committee of the Alamos Board.

- (f) Books and Records. The corporate records and minute books of Alamos and the Alamos Predecessor Corporations have been maintained in accordance with all applicable Laws and are complete and accurate in all respects, except where such incompleteness or inaccuracy would not have a Material Adverse Effect on Alamos. Financial books and records and accounts of Alamos and the Alamos Predecessor Corporations, in all material respects: (i) have been maintained in accordance with good business practices on a basis consistent with prior years and past practice, in accordance with IFRS; (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and acquisitions and dispositions of assets of Alamos and the Alamos Predecessor Corporations; and (iii) accurately and fairly reflect the basis for the Alamos Financial Statements.
- (g) Off-Balance Sheet Transactions. Except as disclosed in the Alamos Disclosure Letter, none of Alamos or any of the Alamos Subsidiaries is party to or bound by any operating leases or any "off-balance sheet" transactions or arrangements.
- (h) Litigation. Except as disclosed in the Alamos Disclosure Letter, there is no claim, action, proceeding or investigation pending or in progress or, to the knowledge of Alamos, threatened against or relating to Alamos or any of the Alamos Subsidiaries or affecting any of their respective properties or assets before any Governmental Entity which individually or in the aggregate has, had, or could reasonably be expected to have, a Material Adverse Effect on Alamos or that would materially impede the consummation of the transactions contemplated by this Agreement. There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress, or, to the knowledge of Alamos, threatened against or relating to Alamos or any of the Alamos Subsidiaries before any Governmental Entity. None of Alamos and the Alamos Subsidiaries nor any of their respective properties or assets is subject to any outstanding judgment, order, writ, injunction or decree that involves or may involve, or restricts or may restrict, the right or ability of Alamos or one of the Alamos Subsidiaries, as the case may be, to conduct its business in all material respects as it has been carried on prior to the date hereof, or that would materially impede the consummation of the transactions contemplated by this Agreement or have a Material Adverse Effect on Alamos.

- (i) Mineral Reserves and Resources. The proven and probable mineral reserves and mineral resources for the mineral projects in which Alamos or any of the Alamos Subsidiaries holds an interest, as set forth in the Alamos Public Disclosure Documents, were prepared in all material respects in accordance with sound mining, engineering, geoscience and other applicable industry standards and practices, and in all material respects in accordance with all applicable Laws, including the requirements of NI 43-101. There has been no material reduction in the aggregate amount of estimated mineral reserves or estimated mineral resources of Alamos or any of the Alamos Subsidiaries, or any of their material joint ventures, taken as a whole, from the amounts set forth in the Alamos Public Disclosure Documents.
  
- (j) Tax Matters.
  - (i) Except as disclosed in the Alamos Disclosure Letter, or as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Alamos:
    - (A) each of Alamos and the Alamos Predecessor Corporations has duly and timely made or prepared all Tax Returns required to be made or prepared by it, has duly and timely filed all Tax Returns required to be filed by it with the appropriate Governmental Entity and such Tax Returns are complete and correct;
    - (B) each of Alamos and the Alamos Predecessor Corporations has: (A) duly and timely paid all Taxes due and payable by it; (B) duly and timely withheld all Taxes and other amounts required by Law to be withheld by it and has duly and timely remitted to the appropriate Governmental Entity such Taxes and other amounts required by Laws to be remitted by it; and (C) duly and timely collected all amounts on account of sales or transfer taxes, including goods and services, harmonized sales, sales, value added, federal, provincial, state or territorial sales taxes, required by Laws to be collected by it and has duly and timely remitted to the appropriate Governmental Entity any such amounts required by Laws to be remitted by it;
    - (C) the charges, accruals and reserves for Taxes reflected on the Alamos Financial Statements (whether or not due and whether or not shown on any of the Tax Returns but excluding any provision for deferred income taxes) are, in the opinion of Alamos, adequate under IFRS to cover Taxes with respect to the Alamos Predecessor Corporations for the periods covered thereby; and
    - (D) there are no investigations, audits or Claims now pending or, to the knowledge of Alamos, threatened against Alamos or any of the Alamos Predecessor Corporations in respect of any Taxes and there are no matters under discussion, audit or appeal with any Governmental Entity relating to Taxes.

- (ii) For purposes of the Tax Act, Alamos is not a non-resident of Canada.
  - (iii) Neither of the Alamos Predecessor Corporations was, to the best of its knowledge, a PFIC for its taxable year ended December 31, 2014 and Alamos expects that it will not be a PFIC for the taxable year ending December 31, 2015.
- (k) Reporting Status. Alamos is a reporting issuer or its equivalent in each of the provinces and territories of Canada. The Alamos Shares are registered pursuant to Section 12(b) of the 1934 Act, Alamos is subject to the reporting requirements of Section 13 of the 1934 Act and Alamos is not in default in any material respect of its obligations as such. The Alamos Shares are listed on the TSX and NYSE and are not listed or quoted on any other market, and Alamos is in compliance in all material respects with the applicable listing and corporate governance rules and regulations of the TSX and NYSE.
- (l) No Cease Trade. Alamos is not subject to any cease trade or other order of the TSX, NYSE, any Securities Authority or the SEC, and, to the knowledge of Alamos, no investigation or other proceedings involving Alamos that may operate to prevent or restrict trading of any securities of Alamos are currently in progress or pending before the TSX, NYSE, any Securities Authority or the SEC.
- (m) Reports. Alamos has filed with the Securities Authorities, the SEC, the TSX, NYSE and all applicable self-regulatory authorities a true and complete copy of all forms, reports, schedules, statements, certifications, material change reports and other documents required to be filed by it. The Alamos Public Disclosure Documents, at the time filed or, if amended, as of the date of such amendment: (i) did not contain any misrepresentation (as defined by securities Laws) and did not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (ii) complied in all material respects with the requirements of applicable securities legislation and the rules, policies and instruments of all Securities Authorities, the SEC, the TSX, NYSE or other self-regulatory authority having jurisdiction over Alamos, except where such non-compliance has not had, or would not reasonably be expected to have, a Material Adverse Effect on Alamos. Alamos has not filed any confidential material change or other report or other document with any Securities Authorities, the SEC, the TSX, NYSE or other self-regulatory authority which at the date hereof remains confidential.
- (n) Compliance with Laws. Alamos and the Alamos Subsidiaries have complied with and are not in violation of any applicable Law other than such non-compliance or violations that would not, individually or in the aggregate, have a Material Adverse Effect on Alamos.
- (o) U.S. Securities Law Matters. Alamos (i) is a “foreign private issuer” as defined in Rule 405 under the 1933 Act, and (ii) is not registered or required to register as an investment company under the 1940 Act.
- (p) Corrupt Practices Legislation. None of Alamos, the Alamos Predecessor Corporations or their respective Subsidiaries has taken, directly or indirectly, any action which would cause Alamos or any Alamos Subsidiary to be in violation of the United States Foreign

Corrupt Practices Act of 1977, as amended (and the regulations promulgated thereunder), the *Corruption of Foreign Public Officials Act* (Canada) (and the regulations promulgated thereunder) or any applicable Laws of similar effect of any other jurisdiction (collectively, the “**Anti-Corruption Laws**”) and, to the knowledge of Alamos, no such action has been taken by any of the officers, directors, employees, agents, representatives or other Persons acting on behalf of Alamos, the Alamos Predecessor Corporations or their respective Subsidiaries. Each of Alamos, the Alamos Predecessor Corporations and their respective Subsidiaries has conducted its businesses in compliance with Anti-Corruption Laws and has instituted and maintains policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.

- (q) Information. The information contained or incorporated by reference in the Carlisle Circular relating to Alamos will contain no untrue statement of a material fact and will not omit to state a material fact that is required to be stated or that is necessary to make the statements not misleading in light of the circumstances in which they were made.
- (r) Ownership of Carlisle Shares. As of the date hereof, Alamos beneficially owns or exercises control or direction over 10,861,538 Carlisle Shares and has certain pre-emptive rights pursuant to the Investor Rights Agreement. With the exception of the foregoing, as of the date hereof, neither Alamos nor any Alamos Subsidiary, whether alone or together with any Person under common control with Alamos or any Alamos Subsidiary or a Person acting jointly or in concert with any of them, directly or indirectly, beneficially own or exercise control or direction over any securities of Carlisle nor do they have any options, rights or entitlements to acquire any securities of Carlisle.
- (s) Issuance of Alamos Securities. Alamos has the full power and authority to issue the Alamos Shares and to create and issue the Alamos Arrangement Warrants to be issued to Carlisle Shareholders pursuant to the Plan of Arrangement. The issuance of such Alamos Shares has been, or prior to the Effective Date will be, duly authorized, and such Alamos Shares, when issued in accordance with the Plan of Arrangement, will be validly issued as fully paid and non-assessable shares of Alamos. The creation and issuance of the Alamos Arrangement Warrants, and the issuance of the Alamos Shares upon exercise thereof, has been, or prior to the Effective Date will be, duly authorized, and the Alamos Shares issuable upon exercise of the Alamos Arrangement Warrants, when issued and delivered against payment therefor in accordance with the terms of the Alamos Arrangement Warrants, will be validly issued as fully paid and non-assessable shares of Alamos. The issuance of Alamos Shares and Alamos Arrangement Warrants upon exercise of the Carlisle Options and Carlisle Warrants has been, or prior to the Effective Date will be, duly authorized, and the Alamos Shares issuable upon exercise of the Alamos Arrangement Warrants issued under the Carlisle Options and Carlisle Warrants, when issued and delivered against payment therefor in accordance with the terms of such Carlisle Options and Carlisle Warrants, will be validly issued as fully paid and non-assessable shares of Alamos.



### 3.2 Representations and Warranties of Carlisle

Except as disclosed in the Carlisle Public Disclosure Record or except as expressly permitted by this Agreement, Carlisle hereby represents and warrants to Alamos, and hereby acknowledges that Alamos is relying upon such representations and warranties in connection with entering into this Agreement and agreeing to complete the Arrangement, as follows:

- (a) Organization. Carlisle is an amalgamated corporation, is validly subsisting and has full corporate and legal power and authority to own its property and assets and to conduct its business as currently owned and conducted. Carlisle is registered, licensed or otherwise qualified as an extra-provincial corporation, a corporation (in accordance with the laws of the country of domicile) or a foreign corporation in each jurisdiction where the nature of the business or the location or character of the property and assets owned or leased by it requires it to be so registered, licensed or otherwise qualified, other than those jurisdictions where the failure to be so registered, licensed or otherwise qualified would not have a Material Adverse Effect on Carlisle.
- (b) Capitalization. Carlisle is authorized to issue an unlimited number of Carlisle Shares and an unlimited number of special shares, issuable in series. As at October 15, 2015, there were: (i) 54,580,233 Carlisle Shares outstanding; (ii) no special shares outstanding, (iii) 4,914,588 Carlisle Options exercisable for an aggregate of 4,914,588 Carlisle Shares; and (iv) 10,100,069 Carlisle Warrants, exercisable for an aggregate of 10,100,069 Carlisle Shares. Except for the Carlisle Options, the Carlisle Warrants, the Carlisle Rights Plan and the Investor Rights Agreement, and except pursuant to this Agreement and the transactions contemplated hereby, as of the date hereof, there are no options, warrants, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) obligating Carlisle to issue or sell any securities of or interest in Carlisle. All issued and outstanding Carlisle Shares have been authorized and are validly issued and outstanding as fully paid and non-assessable shares, free of pre-emptive rights. As of the date hereof, there are no outstanding bonds, debentures or other evidences of indebtedness of Carlisle having the right to vote with the Carlisle Shareholders on any matter. Except for the Investor Rights Agreement, there are no outstanding contractual obligations of Carlisle to repurchase, redeem or otherwise acquire any outstanding Carlisle Shares or with respect to the voting or disposition of any outstanding Carlisle Shares. Other than the Investor Rights Agreement and the Lock-Up Agreements, Carlisle is not party to any shareholder, pooling, voting trust or similar agreement relating to the issued and outstanding securities of Carlisle. Each Carlisle Option (i) has an exercise price at least equal to the closing market price of the Carlisle Shares on a date no earlier than the date of the corporate action authorizing the grant or otherwise determined in accordance with the rules of the TSX or the Canadian Stock Exchange, as the case may be, (ii) has not had its exercise date or grant date delayed or “back-dated,” and (iii) has been issued in compliance with all applicable Laws and properly accounted for in all material respects in accordance with IFRS. All Carlisle Warrants have been duly authorized and validly issued and Carlisle is in compliance with their terms. A complete and accurate list of the Carlisle Options and the Carlisle Warrants is set forth in the Carlisle Disclosure Letter (including the name of the holder thereof, date of issuance, exercise price, expiry date and any vesting conditions). Other than as

disclosed in Carlisle's most recent publicly-disclosed financial statements, Carlisle does not have any Financial Indebtedness. As of the date hereof, Carlisle is in compliance with the terms and conditions of all evidence of Financial Indebtedness of Carlisle and has not received any notice of default or breach of, or termination under, any instruments governing Financial Indebtedness of Carlisle, except in either case as would not, individually or in the aggregate, have a Material Adverse Effect on Carlisle.

- (c) Authority. Carlisle has all necessary power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by Carlisle as contemplated by this Agreement, and to perform its obligations hereunder and under such other agreements and instruments. The execution and delivery of this Agreement by Carlisle and all other agreements and instruments to be executed by Carlisle as contemplated by this Agreement, and the completion by Carlisle of the transactions contemplated herein and therein have been authorized by the Carlisle Board and, subject to obtaining the approval of Carlisle Shareholders with respect to the Arrangement Resolution, the Interim Order and the Final Order in the manner contemplated herein and filings under the OBCA, including the filing of the Articles of Arrangement, no other corporate proceedings on the part of Carlisle are necessary to authorize this Agreement or to complete the transactions contemplated hereby or thereby other than in connection with the approval by the Carlisle Board of the Carlisle Circular. This Agreement has been executed and delivered by Carlisle and constitutes a legal, valid and binding obligation of Carlisle, enforceable against Carlisle in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other applicable Laws relating to or affecting creditors' rights generally, and to general principles of equity. The execution and delivery by Carlisle of this Agreement and the performance by it of its obligations hereunder and the completion of the transactions contemplated hereby, do not and will not:

- (i) result in a violation, contravention or breach of or constitute a default under, or entitle any Person to terminate, accelerate, modify or call any obligations or rights under, require any consent to be obtained under or give rise to any termination rights under any provision of,
  - (A) the articles or by-laws of Carlisle,
  - (B) any Law or rules or policies of the TSX, or
  - (C) except as disclosed in the Carlisle Disclosure Letter, any credit agreement, note, bond, mortgage, indenture, supplemental indenture, deed of trust, lease, franchise, concession, easement, contract, agreement, Authorization, the Carlisle Mineral Rights, or other instrument to which Carlisle is bound or is subject to or of which Carlisle is the beneficiary;

in each case, which would, individually or in the aggregate, have a Material Adverse Effect on Carlisle;

- (ii) give rise to any right of termination or acceleration of Financial Indebtedness, or cause any Financial Indebtedness owing by Carlisle to come due before its stated maturity or cause any available credit to cease to be available which would, individually or in the aggregate, have a Material Adverse Effect on Carlisle;
- (iii) result in the imposition of any Encumbrance upon any of the property or assets of Carlisle or give any Person the right to acquire any of Carlisle's assets, or restrict, hinder, impair or limit the ability of Carlisle to conduct its business as and where it is now being conducted which would, individually or in the aggregate, have a Material Adverse Effect on Carlisle; or
- (iv) except as disclosed in the Carlisle Disclosure Letter, result in or accelerate the time for payment (or vesting of, or increase the amount of any severance, unemployment compensation, "golden parachute", bonus, termination payments or otherwise) becoming due to any director or officer of Carlisle or increase any benefits otherwise payable under any pension or benefits plan of Carlisle or result in the acceleration of the time of payment or vesting of any such benefits.

Except as disclosed in the Carlisle Disclosure Letter, no consent, approval, order or Authorization of, or declaration or filing with, any Governmental Entity or other Person is required to be obtained by Carlisle in connection with the execution and delivery of this Agreement or the consummation by Carlisle of the transactions contemplated hereby other than: (i) in connection with or in compliance with applicable securities Laws; (ii) the Interim Order and any approvals required by the Interim Order; (iii) the Final Order and any approvals required by the Final Order; (iv) filings required under the OBCA (including the Articles of Arrangement); (v) filings with and approvals required by the Securities Authorities and the TSX; and (vi) any other consents, approvals, orders, authorizations, declarations or filings which, if not obtained, would not, individually or in the aggregate, have a Material Adverse Effect on Carlisle.

- (d) Directors' Approvals. (i) The Carlisle Board has received the Valuation and Fairness Opinion; (ii) the Carlisle Board, after consultation with its outside legal counsel and financial advisors, has determined that the Arrangement is in the best interests of Carlisle and accordingly has approved the entering into of this Agreement and the making of a recommendation that Carlisle Shareholders vote in favour of the Arrangement Resolution (the "**Carlisle Board Approval**"); and (iii) each director (other than those directors who are nominees of Alamos) or officer has advised Carlisle that he or she intends to vote all Carlisle Shares held by such director or officer in favour of the Arrangement Resolution.
- (e) Carlisle Subsidiaries. With the exception of Kingstone, Carlisle has no Subsidiaries, does not own a direct or indirect voting or equity interest in any Person (other than as disclosed in the Carlisle Disclosure Letter) and has no agreement or other commitment to acquire such interest.
- (f) Kingstone. All of the shares of Kingstone are legally and beneficially owned by Carlisle and there are no options, warrants, debentures, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise)



obligating Kingstone to issue or sell any shares of Kingstone or any securities or obligations of any kind convertible or exchangeable for shares of Kingstone. Kingstone has not carried on any business or operations and does not have any right, title or interest in any property, assets or undertaking, other than a nominal amount of cash from the initial subscription of Carlisle for shares in connection with the incorporation and organization of Kingstone, has no bank accounts and, except as disclosed in the Carlisle Disclosure Letter or referred to in Section 4.1(l), has no indebtedness, liabilities or undertakings.

- (g) No Defaults. Carlisle is not in default under, and there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute a default by Carlisle under:
  - (i) its articles or by-laws; or
  - (ii) except as disclosed in the Carlisle Disclosure Letter, any contract, agreement or licence to which Carlisle is a party or by which it is bound that would, individually or in the aggregate, have a Material Adverse Effect on Carlisle.
- (h) Company Authorizations. Carlisle has obtained all Authorizations necessary for the ownership, operation, development, maintenance, or use of its material assets or otherwise in connection with the material business or operations of Carlisle and such Authorizations are in full force and effect. Carlisle has fully complied with and is in compliance with all Authorizations, except, in each case, for such non-compliance which, individually or in the aggregate, would not have a Material Adverse Effect on Carlisle. There is no action, investigation or proceeding pending or, to the knowledge of Carlisle, threatened regarding any of such Authorizations. Carlisle has not received any notice, whether written or oral, of revocation or non-renewal of any such Authorizations, or of any intention of any Person to revoke or refuse to renew any of such Authorizations, except in each case, for revocations or non-renewals which, individually or in the aggregate, would not have a Material Adverse Effect on Carlisle and all such Authorizations continue to be effective in order for Carlisle to continue to conduct its business as it is currently being conducted. No Person other than Carlisle owns or has any proprietary, financial or other interest (direct or indirect) in any of such Authorizations.
- (i) Absence of Changes. Since August 31, 2014, with the exception of the AuRico Transactions, matters relating to Kingstone and matters relating to this Agreement:
  - (i) except as disclosed in the Carlisle Public Disclosure Documents with respect to AuRico, as disclosed in the Carlisle Disclosure Letter or in connection with Kingstone and matters relating to this Agreement, Carlisle has conducted its business only in the ordinary and regular course of business consistent with past practice;
  - (ii) there has not occurred and there exists no change, event, occurrence or state of facts which has had or is reasonably likely to have a Material Adverse Effect;

- (iii) except as disclosed in the Carlisle Public Disclosure Documents with respect to AuRico, there has not been any acquisition or sale or any agreement for the acquisition or sale by Carlisle of any material property or assets thereof;
- (iv) except as disclosed in the Carlisle Disclosure Letter, other than in the ordinary and regular course of business consistent with past practice, there has not been any incurrence, assumption or guarantee by Carlisle of any: (A) payment, Liability, Encumbrance or obligation of any nature which has had or is reasonably likely to have a Material Adverse Effect on Carlisle; (B) debt for borrowed money, (C) any creation or assumption by Carlisle of any Encumbrance; (D) any making by Carlisle of any loan, advance or capital contribution to or investment in any other Person (other than loans and advances in an aggregate amount that do not exceed \$200,000 outstanding at any time and other than loans and advances to, or payments for the benefit of, Kingstone made prior to the date hereof in the aggregate amount of not more than \$400,000); or (E) any entering into, amendment of, relinquishment, termination or non-renewal by Carlisle, of any contract, agreement, licence, lease transaction, commitment or other right or obligation that would, individually or in the aggregate, which has had or is reasonably likely to have a Material Adverse Effect on Carlisle;
- (v) Carlisle has not declared or paid any dividends or made any other distribution on any of the Carlisle Shares or made any redemption or other acquisition of Carlisle Shares;
- (vi) except for the Consolidation, Carlisle has not effected or passed any resolution to approve a split, consolidation or reclassification of any of the outstanding Carlisle Shares;
- (vii) other than in the ordinary and regular course of business consistent with past practice or as expressly permitted by this Agreement, except as disclosed in the Carlisle Disclosure Letter, there has not been any material increase in or modification of the compensation payable to or to become payable by Carlisle to any of its directors, officers, employees or consultants or any grant to any such director, officer, employee or consultant of any material increase in severance or termination pay or any material increase or modification of any bonus, pension, insurance or benefit arrangement (including the grants or awards under the Carlisle Option Plans) made to, for or with any of such directors or officers;
- (viii) Carlisle has not effected any material change in its accounting methods, principles or practices; and
- (ix) Carlisle has not adopted any, or materially amended any, collective bargaining agreement, bonus, pension, profit sharing, stock purchase, stock option or other Carlisle Benefit Plan or shareholder rights plan.
- (j) Material Contracts. Except as disclosed in the Carlisle Disclosure Letter, Carlisle has performed in all material respects all of its obligations required to be performed by it to

date under the material contracts to which Carlisle is a party or bound. Except as disclosed in the Carlisle Disclosure Letter, Carlisle is not in breach or default under any material contract to which it is a party or bound, nor does Carlisle have knowledge of any condition that with the passage of time or the giving of notice or both would result in such a breach or default, except in each case where any such breaches or defaults would not, individually or in the aggregate, reasonably be expected to result in, or result in, a Material Adverse Effect on Carlisle. Carlisle does not know of, nor has it received written notice of, any breach or default under (nor, to the knowledge of Carlisle, does there exist any condition which with the passage of time or the giving of notice or both would result in such a breach or default under) any such material contract by any other party thereto except where any such violation or default would not, individually or in the aggregate, reasonably be expected to result in, or result in, a Material Adverse Effect on Carlisle. Except as disclosed in the Carlisle Disclosure Letter, all contracts that are material to Carlisle, taken as a whole, are with Carlisle. All material contracts are legal, valid, binding and in full force and effect and are enforceable by Carlisle in accordance with their respective terms (subject to bankruptcy, insolvency and other applicable Laws affecting creditors' rights generally, and to general principles of equity) and are the product of fair and arms' length negotiations between the parties thereto.

- (k) No Contracts or Commitments. There are no agreements, covenants, undertakings or other commitments of or on behalf of Carlisle under which the completion of the Arrangement or other transactions contemplated herein would: (i) except as disclosed in the Carlisle Disclosure Letter, have the effect of imposing restrictions or obligations on Carlisle; (ii) except as disclosed in the Carlisle Disclosure Letter, give a third party a right to terminate any Authorization with respect to the Carlisle Property or the Carlisle Mineral Rights; or (iii) impose restrictions on the ability of Carlisle to pay any dividends or make other distributions to its shareholders.
- (l) Employment Agreements. Other than as disclosed in the Carlisle Disclosure Letter:
  - (i) Carlisle has provided Alamos with a copy of each material employment agreement and collective agreement relating to Carlisle and all such agreements have not been amended or otherwise varied since the date noted thereon;
  - (ii) Carlisle is and has been operated in all material respects in compliance with all applicable Laws relating to wages, labour, human rights, employment and employees;
  - (iii) there is no material proceeding, action, suit or claim pending or, to the knowledge of Carlisle, threatened involving any employee of Carlisle;
  - (iv) Carlisle is not a party to any written or oral policy, agreement, obligation or understanding providing for severance or termination payments to, or any employment or consulting agreement with any director or officer of Carlisle, that would be triggered by Carlisle entering into this Agreement or the completion of the Arrangement;

- (v) Carlisle does not have any employee or consultant whose employment or contract with Carlisle cannot be terminated by Carlisle; and
  - (vi) Carlisle is not: (a) a party to any collective bargaining agreement; (b) to the knowledge of Carlisle, subject to any application for certification or threatened or apparent union-organizing campaigns for employees not covered under a collective bargaining agreement; or (c) subject to any current, or to the knowledge of Carlisle, pending or threatened strike, lockout, slowdown or work stoppage.
- (m) Financial Matters. Carlisle’s audited financial statements as at and for the financial year ended August 31, 2014 (the “**Carlisle Financial Statements**”) were prepared in accordance with IFRS and present fairly, in all material respects, the financial position of Carlisle at the respective dates indicated, and its financial performance and its cash flows for the year then ended. Carlisle does not have any Liability or obligation (including liabilities or obligations to fund any operations or work or exploration program to give any guarantees or for Taxes other than Taxes not yet due), whether accrued, absolute, contingent or otherwise, or any related party transactions or off-balance sheet transactions not reflected in the audited financial statements of Carlisle for the fiscal period ended August 31, 2014 except (i) Liabilities and obligations incurred in the ordinary and regular course of business (including the business of operating, developing, constructing and exploring Carlisle’s projects) since August 31, 2014 which Liabilities or obligations would not reasonably be expected to have a Material Adverse Effect on Carlisle, (ii) Liabilities and obligations incurred in the ordinary and regular course of business (including the business of operating, developing, constructing and exploring Carlisle’s projects) that are not required to be set forth in the financial statements of Carlisle for the fiscal period ended August 31, 2014 under IFRS, and (iii) Liabilities and obligations incurred in connection with the AuRico Transactions, Kingstone and this Agreement.

Carlisle maintains a system of disclosure controls and procedures (as such term is defined in NI 52-109) to provide reasonable assurance that (i) material information relating to Carlisle is made known to Carlisle’s management, including its chief financial officer and chief executive officer, particularly during the periods in which Carlisle’s interim filings and annual filings (as such terms are defined in NI 52-109) are being prepared; and (ii) information required to be disclosed by Carlisle in its annual filings, interim filings or other reports filed or submitted by it under applicable securities Laws are recorded, processed, summarized and reported within the time periods specified in applicable securities Laws. Carlisle maintains a system of internal control over financial reporting (as such term is defined in NI 52-109) that is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Since August 31, 2014, there has been no change in Carlisle’s internal control over financial reporting that has materially affected, or is reasonably likely to materially affect Carlisle’s internal control over financial reporting.

Since August 31, 2014, neither Carlisle nor, to Carlisle’s knowledge, any director, officer, employee, auditor, accountant or representative of Carlisle has received or otherwise had or obtained knowledge of any complaint, allegation, assertion or claim,

whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods of Carlisle or its internal accounting controls, including any complaint, allegation, assertion or claim that Carlisle has engaged in questionable accounting or auditing practices, which has not been resolved to the satisfaction of the audit committee of the Carlisle Board.

- (n) Books and Records. The corporate records and minute books of Carlisle have been maintained in accordance with all applicable Laws and are complete and accurate in all respects, except where such incompleteness or inaccuracy would not have a Material Adverse Effect on Carlisle. Financial books and records and accounts of Carlisle, in all material respects: (i) have been maintained in accordance with good business practices on a basis consistent with prior years and past practice, in accordance with IFRS; (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and acquisitions and dispositions of assets of Carlisle; and (iii) accurately and fairly reflect the basis for the Carlisle Financial Statements.
- (o) Litigation. Except with respect to matters relating to the environment or Environmental Laws (which are addressed in subsection 3.2(z)), there is no claim, action, proceeding or investigation pending or in progress or, to the knowledge of Carlisle, threatened against or relating to Carlisle or affecting any of its properties or assets before any Governmental Entity which individually or in the aggregate has, had, or could reasonably be expected to have, a Material Adverse Effect on Carlisle or that would materially impede the consummation of the transactions contemplated by this Agreement. There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress, or, to the knowledge of Carlisle, threatened against or relating to Carlisle before any Governmental Entity. None of Carlisle nor any of its properties or assets is subject to any outstanding judgment, order, writ, injunction or decree that involves or may involve, or restricts or may restrict, the right or ability of Carlisle to conduct its business in all material respects as it has been carried on prior to the date hereof, or that would materially impede the consummation of the transactions contemplated by this Agreement or have a Material Adverse Effect on Carlisle.
- (p) Interest in Properties and Mineral Rights.
  - (i) The Carlisle Disclosure Letter sets out a complete and accurate description of all of Carlisle's: (A) real properties (collectively, the "**Carlisle Property**") and (B) mineral interests and rights (including any mineral claims, mining claims, concessions, exploration licences, exploitation licences, prospecting permits, mining leases and mining rights, in each case, either existing under contract, by operation of Laws or otherwise) (collectively, the "**Carlisle Mineral Rights**"). Other than the Carlisle Property and the Carlisle Mineral Rights set out in the Carlisle Disclosure Letter, Carlisle does not own or have any interest in any real property or any mineral interests or rights.
  - (ii) Except as disclosed in the Carlisle Disclosure Letter, Carlisle is the sole legal registered and beneficial owner of all right, title and interest in and to the Carlisle

Property and the Carlisle Mineral Rights, free and clear of any Encumbrances other than the Carlisle Permitted Encumbrances.

- (iii) To the best of Carlisle's knowledge, all of the Carlisle Mineral Rights have been properly located and recorded and otherwise granted in compliance with applicable Laws and are valid and subsisting.
- (iv) The Carlisle Property and the Carlisle Mineral Rights are in good standing under applicable Laws and, to the knowledge of Carlisle, all work required to be performed and filed in respect thereof has been performed and filed, all Taxes, rentals, fees, expenditures and other payments required to be made in respect thereof have been paid or incurred and all filings in respect thereof have been made.
- (v) To the best of Carlisle's knowledge, there is no material adverse claim against or challenge to the title to or ownership of the Carlisle Property or any of the Carlisle Mineral Rights.
- (vi) Except as disclosed in the Carlisle Disclosure Letter, Carlisle has the exclusive right to deal with the Carlisle Property and the Carlisle Mineral Rights.
- (vii) Other than Taxes, Carlisle Permitted Encumbrances, interests of Governmental Entities and Aboriginal Groups and as described in the Carlisle Public Disclosure Documents and the Carlisle Disclosure Letter, no Person other than Carlisle has any interest in the Carlisle Property or any of the Carlisle Mineral Rights or the production or profits therefrom or any royalty in respect thereof or any right to acquire any such interest.
- (viii) Except as disclosed in the Carlisle Public Disclosure Documents, there are no back-in rights, earn-in rights, purchase options, rights of first refusal or similar provisions or rights which would affect Carlisle's interest in the Carlisle Property or any of the Carlisle Mineral Rights.
- (ix) There are no material restrictions on the ability of Carlisle to use, transfer or exploit the Carlisle Property or any of the Carlisle Mineral Rights, except pursuant to the applicable Laws.
- (x) Carlisle has not received any notice, whether written or oral, from any Governmental Entity of any revocation or intention to revoke any interest of Carlisle in any of the Carlisle Property or any of the Carlisle Mineral Rights.
- (xi) Carlisle has certain but not necessarily all required surface rights, including fee simple estates, leases, easements, rights of way and permits or licences from landowners or Governmental Entities permitting the use of land and other interests by Carlisle, that are required to exploit the development potential of the Carlisle Property and the Carlisle Mineral Rights based on current or planned operations (as set forth in the Carlisle Public Disclosure Documents, including as contemplated by the current technical report with respect thereto, if any, prepared



under NI 43-101) and, except as disclosed in the Carlisle Public Disclosure Documents, no third party or group holds any such rights that would be required by Carlisle to so develop the Carlisle Property or any of the Carlisle Mineral Rights.

- (xii) All mines located in or on the lands of Carlisle or lands pooled or unitized or otherwise used in connection therewith, which have been abandoned by Carlisle, have been abandoned in all material respects in accordance with good mining practices and in compliance in all material respects with all applicable Laws, and all future abandonment, remediation and reclamation obligations known to Carlisle as of the date hereof have been accurately set forth in the Carlisle Public Disclosure Documents without omission of information necessary to make the disclosure not misleading.
- (q) Records and Data. Carlisle has delivered to Alamos, or provided Alamos with access to, all scientific and technical information in its possession or under its control relating to the Carlisle Property and the Carlisle Mineral Rights, whether in writing, graphic, machine readable, electronic or physical form, including (i) all geological, geophysical, geochemical, sampling, drilling, trenching, analytical testing, assaying, mineralogical, metallurgical and other similar information, including maps, charts and surveys, (ii) all scoping, pre-feasibility, feasibility, engineering and other technical studies, exploration plans, development plans, mine plans or similar studies or analyses, (iii) all plans, blueprints, process flow sheets, equipment and parts lists, instructions, manuals, and equipment records and procedures, and (iv) all exploration, development, operations, production and other technical records, data and reports.
- (r) Mineral Reserves and Resources. The estimated mineral resources for the Carlisle Property and the Carlisle Mineral Rights in which Carlisle holds an interest, as set forth in the Carlisle Public Disclosure Documents, were prepared in all material respects in accordance with sound mining, engineering, geoscience and other applicable industry standards and practices, and in all material respects in accordance with all applicable Laws, including the requirements of NI 43-101. There has been no material reduction in the aggregate amount of estimated mineral resources of Carlisle or any of its joint ventures, taken as a whole, from the amounts set forth in the Carlisle Public Disclosure Documents. All information regarding the Carlisle Property and the Carlisle Mineral Rights, including all drill results, technical reports and studies, that is required to be disclosed by Laws, has been disclosed in the Carlisle Public Disclosure Documents.
- (s) Hedging and Prepayment Contracts.
  - (i) Carlisle is not party to or bound by, nor has it incurred an obligation or Liability under or in respect of, any agreement or arrangement that is in substance an interest rate swap, currency swap or any other rate fixing agreement for a financial transaction or any call arrangement of any sort or any forward sale agreement for commodities or any other commodities hedging or speculation arrangements.

- (ii) Carlisle is not obligated under any prepayment contract or other prepayment arrangement to deliver mineral products at some future time without then receiving full payment therefor.
- (t) Off-Balance Sheet Transactions. Carlisle is not party to or bound by any operating leases or any “off-balance sheet” transactions or arrangements.
- (u) Title and Rights re: Other Assets. Carlisle has good and valid title to all material properties and assets other than the Carlisle Property and the Carlisle Mineral Rights (which are addressed elsewhere) reflected in the audited financial statements for the year ended August 31, 2014 (or acquired after that date) or as described in the annual information form dated as of November 26, 2014 of Carlisle or valid leasehold or licence interests in all material properties and assets not reflected in such financial statements but used by Carlisle, free and clear of all material Encumbrances other than the Carlisle Permitted Encumbrances, and there are no back-in rights, earn-in rights, purchase options, rights to first refusal or similar provisions or rights which would affect Carlisle’s interest in any of the foregoing-described material properties and assets (other than the Carlisle Property and Carlisle Mineral Rights, which are addressed elsewhere in this Agreement).
- (v) Intellectual Property. Carlisle owns or has the right to use all Intellectual Property required to carry on its business as currently conducted and proposed to be conducted. To the knowledge of Carlisle, there has been no claim of infringement by Carlisle or breach by Carlisle of any Intellectual Property rights or industrial rights of any other Person, and Carlisle has not received any notice that the conduct of its business infringes on any Intellectual Property rights or industrial rights of any other Person.
- (w) Operational Matters. Except as would not, individually or in the aggregate, be reasonably expected to result in a Material Adverse Effect on Carlisle:
  - (i) all rentals, royalties, overriding royalty interests, production payments, net profits, interest burdens, payments and obligations due and payable, or performable, as the case may be, on or prior to the date hereof under, with respect to, or on account of, any direct or indirect assets of Carlisle and any of its joint ventures, have been: (A) duly paid; (B) duly performed; or (C) provided for prior for the date hereof; and
  - (ii) all costs, expenses, and liabilities payable on or prior to the date hereof under the terms of any contracts and agreements to which Carlisle or any of its joint ventures is directly or indirectly bound, have been properly and timely paid, except for such expenses that are being currently paid prior to delinquency in the ordinary course of business.
- (x) Other Operational Matters. Except as would not reasonably be expected to have a Material Adverse Effect on Carlisle:
  - (i) any and all operations of Carlisle and, to the knowledge of Carlisle, any and all operations by third parties, on or in respect of the assets and properties of Carlisle,



have been conducted in accordance with reasonable and prudent international mining industry practices and in compliance with applicable Laws; and

- (ii) in respect of the assets and properties of Carlisle that are operated by it, if any, Carlisle holds all valid licences, permits and similar rights and privileges that are required and necessary under applicable Laws to operate the assets and properties of Carlisle as presently operated.
- (y) Insurance. Carlisle maintains policies of insurance in amounts and in respect of such risks as are normal and usual for companies of a similar size operating in the mining industry and such policies are in full force and effect as of the date hereof.
- (z) Environmental. Except to the extent that any violation or other matter referred to in this subsection does not, individually or in the aggregate, have a Material Adverse Effect on Carlisle:
  - (i) Carlisle is and has been in compliance with, and is not in violation of, any Environmental Laws;
  - (ii) Carlisle has operated its business at all times and has generated, received, handled, used, stored, treated, shipped and disposed of all contaminants, wastes, and hazardous and toxic substances without violation of Environmental Laws;
  - (iii) to the knowledge of Carlisle, there have been no spills, releases, deposits, presence or discharges of pollutants or hazardous or toxic substances, contaminants or wastes into or in the earth, air or any body of water, whether surface or otherwise, or any municipal or other sewer or drain or drinking or water systems by Carlisle or at, to or from Carlisle's assets or operations, which could reasonably be expected to result in Liability under any Environmental Law;
  - (iv) no orders, notifications, directives, demands, Claims, instructions, directions or notices have been issued and remain outstanding by any Governmental Entity pursuant to any Environmental Laws relating to the business or assets of Carlisle;
  - (v) Carlisle has not failed to report to the proper Governmental Entity the occurrence of any event which is required to be so reported by any Environmental Laws;
  - (vi) Carlisle holds Environmental Approvals required under any Environmental Laws in connection with the operation of its business and the ownership and use including rehabilitation of its assets, all such Environmental Approvals are in full force and effect, and Carlisle has not received any notification from any Governmental Entity pursuant to any Environmental Laws that any work, undertaking, study, report, assessment, repairs, constructions or other expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws, or any Environmental Approvals issued pursuant thereto, or that any Environmental Approvals referred to above are about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated;

- (vii) there are no changes in the status, terms or conditions of any Environmental Approvals held by Carlisle or any renewal, modification, revocation, reassurance, alteration, transfer, restriction or amendment of any such Environmental Approvals, or any review by, or approval of, any Governmental Entity of such Environmental Approvals that are required in connection with the execution or delivery of this Agreement, the consummation of the transactions contemplated herein or the continuation of the business and operations of Carlisle following the Effective Date;
  - (viii) Carlisle has made available to Alamos all material audits, assessments, investigation reports, studies, plans, regulatory correspondence and similar information with respect to environmental, health, and safety matters; and
  - (ix) to the knowledge of Carlisle, Carlisle is not subject to any past or present fact, condition or circumstance that could reasonably be expected to result in Liability under any Environmental Laws.
- (aa) Aboriginal Affairs. Except as disclosed in the Carlisle Disclosure Letter:
- (i) (A) Carlisle is carrying on business in compliance in all material respects with all legal and governmental requirements associated with aboriginal-related matters, and (B) there are no facts that could give rise to non-compliance by Carlisle in respect of any such legal or governmental requirements;
  - (ii) there is no claim, complaint or other proceeding threatened by or on behalf of any Aboriginal Group of which Carlisle has received notice, with respect to any Carlisle Property or Carlisle Mineral Right or any Authorization issued by any Governmental Entity in respect of, or otherwise related to Carlisle;
  - (iii) no portion of the Carlisle Property or Carlisle Mineral Rights is designated or legally constitutes a “reserve” pursuant to the *Indian Act* (Canada);
  - (iv) there has not been any blockade or other program of civil disobedience undertaken by any Aboriginal Group with respect to the Carlisle Property or otherwise affecting the Carlisle Mineral Rights, or to the knowledge of Carlisle has any responsible official of any Aboriginal Group threatened Carlisle with any blockade or other program of civil disobedience with respect to the Carlisle Property or which could reasonably be expected to affect the Carlisle Mineral Rights;
  - (v) except as disclosed in the Carlisle Disclosure Letter, to the knowledge of Carlisle, no other Person, including any Person representing or purporting to represent an Aboriginal Group, or Aboriginal Group has asserted any right or interest of any kind whatsoever, relating to any of the Carlisle Property or Carlisle Mineral Rights;
  - (vi) save and except the exploration agreement dated January 30, 2015 among Carlisle, AuRico, Marcel Colomb First Nation and Marcel Colomb Development

Corporation and preceding agreements including a memorandum of understanding between Carlisle and Marcel Colomb First Nation dated August 18, 2011, as described in the Carlisle Disclosure Letter, there are no agreements, written or verbal, between Carlisle and any Aboriginal Group;

- (vii) Carlisle has not received any notice, whether written or oral from any Governmental Entity, Aboriginal Group or any Persons representing or purporting to represent an Aboriginal Group of the exercise or assertion of aboriginal rights or assertion of aboriginal title in the area of the Carlisle Property or Carlisle Mineral Rights or Carlisle's interests in the Carlisle Property or Carlisle Mineral Rights or of an impact on the asserted aboriginal title or rights involving Carlisle's works on the Carlisle Property or Carlisle Mineral Rights except as disclosed in the Carlisle Disclosure Letter; and
  - (viii) there are no claims, actions, suits, grievances, complaints or proceedings pending or, to the knowledge of Carlisle, threatened affecting Carlisle or affecting any of its property or assets at law or in equity before or by any Governmental Entity, with respect to aboriginal rights or the duty to consult. Neither Carlisle nor its assets or properties is subject to any outstanding judgment, order, writ, injunction or decree with respect to such aboriginal rights or duty to consult.
- (bb) Tax Matters. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Carlisle:
- (i) Carlisle has duly and timely made or prepared all Tax Returns required to be made or prepared by it, has duly and timely filed all Tax Returns required to be filed by it with the appropriate Governmental Entity and such Tax Returns are complete and correct (save and except in respect of 2006 and 2007 flow-through share issuances and inadequate Canadian exploration expenditures in respect thereof as described in the Carlisle Financial Statements, Carlisle financial statements in respect of prior fiscal periods and the Carlisle Disclosure Letter);
  - (ii) except as described in paragraph (i) above, Carlisle has: (A) duly and timely paid all Taxes due and payable by it; (B) duly and timely withheld all Taxes and other amounts required by applicable Law to be withheld by it and has duly and timely remitted to the appropriate Governmental Entity such Taxes and other amounts required by applicable Laws to be remitted by it; and (C) duly and timely collected all amounts on account of sales or transfer taxes, including goods and services, harmonized sales, sales, value added, federal, provincial, state or territorial sales taxes, required by applicable Laws to be collected by it and has duly and timely remitted to the appropriate Governmental Entity any such amounts required by applicable Laws to be remitted by it;
  - (iii) the charges, accruals and reserves for Taxes reflected on the Carlisle Financial Statements (whether or not due and whether or not shown on any of the Tax Returns but excluding any provision for deferred income taxes) are, in the opinion

of Carlisle, adequate under IFRS to cover Taxes with respect to Carlisle for the periods covered thereby;

- (iv) there are no investigations, audits or Claims now pending or, to the knowledge of Carlisle, threatened against Carlisle in respect of any Taxes and there are no matters under discussion, audit or appeal with any Governmental Entity relating to Taxes;
  - (v) no waiver of any statutory limitation period with respect to Taxes has been given or requested with respect to Carlisle;
  - (vi) Carlisle has not entered into any agreement or other arrangement in respect of Taxes or Tax Returns that has effect for any period ending after the Effective Date;
  - (vii) Carlisle has not acquired property from a non-arm's length Person, within the meaning of the Tax Act: (A) for consideration the value of which is less than the fair market value of the property; or (B) as a contribution of capital for which no shares were issued by the acquirer of the property;
  - (viii) for the purposes of the Tax Act and any other relevant Tax purposes, Carlisle is not a non-resident of Canada; and
  - (ix) there are no Encumbrances for Taxes upon any properties or assets of Carlisle (other than Encumbrances relating to Taxes not yet due and payable and for which adequate reserves have been recorded on the balance sheet included in the Carlisle Financial Statements).
- (cc) Non-Arm's Length Transactions. Except for employment or employment compensation agreements entered into in the ordinary course of business, the AuRico Transactions or as disclosed in the Carlisle Disclosure Letter, there are no current contracts, commitments, agreements, arrangements or other transactions (including relating to Financial Indebtedness by Carlisle) between Carlisle, on the one hand, and any: (i) officer or director of Carlisle; (ii) any holder of record or, to the knowledge of Carlisle, beneficial owner of five percent or more of the voting securities of Carlisle; or (iii) any affiliate or associate of any officer, director or beneficial owner, on the other hand.
- (dd) Pension and Employee Benefits.
- (i) The Carlisle Disclosure Letter contains a true, complete and accurate list of all Carlisle Benefit Plans and, except as disclosed in the Carlisle Disclosure Letter, the Carlisle Benefit Plans have not been amended, varied or otherwise supplemented since August 31, 2014.
  - (ii) Carlisle has made available to Alamos: (i) copies of all material documents setting forth the terms of each Carlisle Benefit Plan, including all amendments thereto and all related trust documents; (ii) the most recent actuarial reports (if applicable) for all Carlisle Benefit Plans; (iii) the most recent summary plan description with

respect to each Carlisle Benefit Plan, if any; and (iv) all material written contracts, instruments or agreements relating to each Carlisle Benefit Plan, including administrative service agreements and group insurance contracts.

- (iii) All Carlisle Benefit Plans are, and have been, established, registered, qualified, administered, funded and invested in all material respects in accordance with the terms of such Carlisle Benefit Plan including the terms of the material documents that support such Carlisle Benefit Plan, any applicable collective agreement and all applicable Laws.
- (iv) None of the Carlisle Benefit Plans provides for benefit increases, retention bonuses or payments or the acceleration of, or an increase in, funding obligations that are contingent upon, or will be triggered by the completion of the transactions contemplated herein.
- (v) There are no material unfunded liabilities in respect of any Carlisle Benefit Plan including going concern unfunded liabilities, solvency deficiencies or wind-up deficiencies where applicable. None of the Carlisle Benefit Plans is a defined benefit pension plan.
- (vi) None of the Carlisle Benefit Plans provides benefits beyond retirement or other termination of service to employees or former employees or to the beneficiaries or dependants of such employees.
- (vii) There is no proceeding, action, suit or claim (other than routine claims for payments of benefits) pending or, to the knowledge of Carlisle, threatened involving any Carlisle Benefit Plan or its assets.
- (viii) Carlisle has complied, in all material respects, with all of the terms of the employee compensation and benefit obligations of Carlisle, including, if applicable, the provisions of any collective agreements, funding and investment contracts or obligations applicable thereto, arising under or relating to each of the employee compensation or benefit plans, agreements, policies, programs, arrangements or practices, whether written or oral, which are maintained by or binding upon Carlisle other than such non-compliance that would not reasonably be expected to have a Material Adverse Effect on Carlisle.
- (ix) Carlisle has no material Liability for life, health, medical or other welfare benefits to former employees or beneficiaries or dependants thereof, and there has been no communication to employees by Carlisle which could reasonably be interpreted to promise or guarantee such employees retiree health or life insurance or other retiree death benefits on a permanent basis.
- (x) No Carlisle Benefit Plan is a “registered pension plan” as such term is defined in the Tax Act, is a defined benefits plan, or is a plan that could be subject to any material liability under Title IV of the U.S. Employee Retirement Income Security Act of 1974, as amended, or any similar Law.

- (xi) Each Carlisle Benefit Plan has been operated in material compliance in accordance with its terms and any contributions required to be made under each Carlisle Benefit Plan, as of the date hereof, have been timely made and all obligations in respect of each Carlisle Benefit Plan have been properly accrued and reflected in the audited financial statements for Carlisle as at and for the fiscal year ended August 31, 2014, including the notes thereto and the report by Carlisle's auditors thereon.
- (xii) To the knowledge of Carlisle, no event has occurred respecting any Carlisle Benefit Plan which would result in the revocation of the registration of such Carlisle Benefit Plan or entitle any person (without the consent of Carlisle) to wind up or terminate any Carlisle Benefit Plan, in whole or in part, or which could otherwise reasonably be expected to adversely affect the tax status of any such Carlisle Benefit Plan.
- (ee) Reporting Status. Carlisle is a reporting issuer or its equivalent in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. The Carlisle Shares are listed on the TSX and are not listed or quoted on any other market, and Carlisle is in compliance in all material respects with the applicable listing and corporate governance rules and regulations of the TSX. The Carlisle Shares trade on the OTC QX.
- (ff) No Cease Trade. Carlisle is not subject to any cease trade or other order of the TSX or any Securities Authority, except as disclosed in the Carlisle Disclosure Letter, and, to the knowledge of Carlisle, no investigation or other proceedings involving Carlisle that may operate to prevent or restrict trading of any securities of Carlisle are currently in progress or pending before the TSX or any Securities Authority.
- (gg) Reports. Carlisle has filed with the Securities Authorities, the TSX and all applicable self-regulatory authorities a true and complete copy of all forms, reports, schedules, statements, certifications, material change reports and other documents required to be filed by it. The Carlisle Public Disclosure Documents, at the time filed or, if amended, as of the date of such amendment: (i) did not contain any misrepresentation (as defined by securities Laws) and did not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (ii) complied in all material respects with the requirements of applicable securities legislation and the rules, policies and instruments of all Securities Authorities, the TSX or other self-regulatory authority having jurisdiction over Carlisle except where such non-compliance has not had, or would not reasonably be expected to have, a Material Adverse Effect on Carlisle. Carlisle has not filed any confidential material change or other report or other document with any Securities Authorities, the TSX or other self-regulatory authority which at the date hereof remains confidential.
- (hh) Compliance with Laws. Except with respect to matters relating to the environment or Environmental Laws (which are addressed in subsection 3.2(z)), Carlisle has complied with and is not in violation of any applicable Law other than such non-compliance or



violations that would not, individually or in the aggregate, have a Material Adverse Effect on Carlisle.

- (ii) No Option on Assets. No Person has any agreement or option or any right or privilege capable of becoming an agreement or option for the purchase from Carlisle of any of the assets of Carlisle other than as described or contemplated in this Agreement or as described in the Joint Venture Agreement.
- (jj) Certain Contracts. Carlisle is not a party to or bound by any non-competition agreement, area of mutual interest agreement or any other agreement, obligation, judgment, injunction, order or decree that purports to: (i) limit the manner or the localities in which all or any material portion of the business of Carlisle is conducted; (ii) limit any business practice of Carlisle in any material respect; or (iii) restrict any acquisition or disposition of any property by Carlisle in any material respect.
- (kk) No Broker's Commission. Except as disclosed in the Carlisle Disclosure Letter, Carlisle has not entered into any agreement that would entitle any Person to any valid claim against Carlisle for a broker's commission, finder's fee, success fee or any like payment or fee in respect of the Arrangement or any other matter contemplated by this Agreement.
- (ll) No Expropriation. No property or asset of Carlisle (including any Carlisle Property or Carlisle Mineral Rights) has been taken or expropriated by any Governmental Entity nor has any notice or proceeding in respect thereof been given or commenced nor, to the knowledge of Carlisle, is there any intent or proposal to give any such notice or to commence any such proceeding.
- (mm) Corrupt Practices Legislation. Carlisle has not taken, directly or indirectly, any action which would cause Carlisle to be in violation of Anti-Corruption Laws and, to the knowledge of Carlisle, no such action has been taken by any of the officers, directors, employees, agents, Representatives or other Persons acting on behalf of Carlisle. Carlisle has conducted its businesses in compliance with Anti-Corruption Laws and has instituted and maintains policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.
- (nn) Carlisle Board Approval. The Carlisle Board has approved the Arrangement and the entering into of this Agreement and has resolved to recommend that Carlisle Shareholders approve the Arrangement Resolution.
- (oo) Vote Required. The only vote of holders of any class or series of the Carlisle Shares, Carlisle Options, Carlisle Warrants or other securities of Carlisle necessary to approve this Agreement and the Arrangement and the transactions contemplated hereof or thereby is the approval of the Arrangement Resolution by the Carlisle Shareholders.
- (pp) Information. The information contained or incorporated by reference in the Carlisle Circular relating to Carlisle will contain no untrue statement of a material fact and will not omit to state a material fact that is required to be stated or that is necessary to make the statements not misleading in light of the circumstances in which they were made.

- (qq) Confidentiality Agreement. Carlisle has not waived or released any Person from any standstill, confidentiality or use or other similar provisions of any confidentiality or similar agreements entered into by Carlisle and, except as disclosed in the Carlisle Disclosure Letter, neither the entering into of this Agreement or the completion of the transactions contemplated hereby will release or spring (or be deemed to release or spring) any Person from any standstill, confidentiality or use or other similar provisions of any confidentiality or similar agreements.
- (rr) Commodity-Linked Agreements. Except as disclosed in the Carlisle Disclosure Letter and the AuRico Transactions, Carlisle has not granted or entered into, and none of the assets, properties or mineral rights of Carlisle are subject to, any back-in rights, farm-in rights, earn-in rights, streaming arrangements, royalty rights, off-take rights, rights of first offer, option rights, rights of first refusal or similar rights or provisions or any agency marketing fees, volume or production based payments or commodity based payments (whether based on price of a commodity or volume of commodity produced or otherwise) or any other arrangements or payments (actual or contingent) where a Person would receive or be entitled to receive a payment or payments or a fee or fees in connection with or with reference to the production or sale of minerals from any of mineral properties of Carlisle.
- (ss) Ownership of Alamos Shares. As of the date hereof, Carlisle, whether alone or together with any Person under common control with Carlisle or a Person acting jointly or in concert with any of them, directly or indirectly, does not beneficially own or exercise control or direction over any securities of Alamos nor does it have any options, rights or entitlements to acquire any securities of Alamos.

### **3.3 Alamos Disclosure Letter**

The Parties acknowledge and agree that Alamos has delivered to Carlisle the Alamos Disclosure Letter, which has been accepted by Carlisle and which sets forth all modifications to those representations and warranties made by Alamos in Section 3.1 hereof.

### **3.4 Carlisle Disclosure Letter**

The Parties acknowledge and agree that Carlisle has delivered to Alamos the Carlisle Disclosure Letter, which has been accepted by Alamos and which sets forth all modifications to those representations and warranties made by Carlisle in Section 3.2 hereof.

### **3.5 Survival of Representations and Warranties**

The representations and warranties contained in this Agreement shall survive the execution and delivery of this Agreement and shall expire and be terminated and extinguished on the earlier of the Effective Date and the date on which this Agreement is terminated.

## ARTICLE 4 COVENANTS

### 4.1 Covenants of Carlisle

Subject to the other terms and conditions of this Agreement, Carlisle hereby covenants and agrees with Alamos as follows:

- (a) Carlisle Meeting. In a timely and expeditious manner, Carlisle shall:
  - (i) prepare the Carlisle Circular, provide Alamos with a reasonable opportunity to comment thereon, reasonably consider all comments provided thereon by Alamos, and subsequently file the Carlisle Circular, together with any other documents required by applicable Laws, in all jurisdictions where the Carlisle Circular is required to be filed and mail the Carlisle Circular, as ordered by the Interim Order and in accordance with all applicable Laws, in and to all jurisdictions where the Carlisle Circular is required to be mailed, complying in all material respects with all applicable Laws on the date of the mailing thereof and in the form and containing the information required by all applicable Laws, including all applicable corporate and securities legislation and requirements, and not containing any misrepresentation (as defined under applicable securities Laws) with respect thereto, other than with respect to any information relating to and provided by Alamos. The Carlisle Circular will include information in sufficient detail to permit the Carlisle Shareholders to form a reasoned judgment concerning the matters to be placed before them at the Carlisle Meeting, and to allow reliance upon the Section 3(a)(10) Exemption with respect to the issue of the 3(a)(10) Securities as part of completion of the Arrangement. The Carlisle Circular shall also include all information, disclosure and other documentation required by MI 61-101 (including the formal valuation or a summary of the formal valuation in accordance with Section 4.3 of MI 61-101), and such other financial, operational and other information and disclosure required under applicable Law. To the extent required by applicable Law, Carlisle covenants and agrees to take any and all actions necessary to obtain at the Carlisle Meeting minority approval of the Arrangement Resolution under MI 61-101 and to provide disclosure in respect thereof in the Carlisle Circular;
  - (ii) subject to the terms of this Agreement: (A) take commercially reasonable lawful action to solicit proxies in favour of the Arrangement Resolution as the Carlisle Board may determine; (B) recommend (and the Carlisle Board shall in the Carlisle Circular recommend) to all Carlisle Shareholders that they vote in favour of the Arrangement Resolution; (C) not withdraw, modify or qualify, or publicly propose to or publicly state that it intends to withdraw, modify or qualify in any manner adverse to Alamos such recommendation or the approval, recommendation or declaration of advisability of the Carlisle Board (a “**Change in Recommendation**”), it being understood that failing to affirm the approval or recommendation of the Carlisle Board of the transactions contemplated herein after a Carlisle Acquisition Proposal has been publicly announced shall be

considered an adverse modification except as expressly permitted by Sections 6.1 and 6.2 hereof; and (D) include in the Carlisle Circular the Carlisle Board Approval and a statement that each director and officer of Carlisle intends to vote all of such Person's Carlisle Shares in favour of the Arrangement Resolution;

- (iii) convene and conduct the Carlisle Meeting in accordance with Carlisle's constating documents, applicable Laws and the Interim Order as soon as reasonably practicable and in any event no later than December 16, 2015 (or such later date as may be consented to by Alamos or otherwise permitted pursuant to this Agreement);
  - (iv) provide notice to Alamos of the Carlisle Meeting and allow representatives of Alamos to attend the Carlisle Meeting;
  - (v) at the reasonable request of Alamos, and subject to compliance with applicable corporate and securities Laws, from time to time Carlisle shall provide Alamos with a list (in both written and electronic form) of the registered Carlisle Shareholders, together with their addresses and respective holdings of Carlisle Shares and with a list of the names and addresses and holdings of all Persons having rights issued by Carlisle to acquire Carlisle Shares (including holders of Carlisle Options and Carlisle Warrants) and a list of non-objecting beneficial owners of Carlisle Shares, together with their addresses and respective holdings of Carlisle Shares. Carlisle shall from time to time require that its registrar and transfer agent furnish Alamos with such additional information, including updated or additional lists of Carlisle Shareholders and lists of holdings and other assistance as Alamos may reasonably request;
  - (vi) provide Alamos with information on the proxies received and the Carlisle Shareholder votes on the Arrangement Resolution on a daily basis commencing at least ten Business Days before the date of the Carlisle Meeting to the extent that such information is available to Carlisle;
  - (vii) take all such actions as may be required under applicable Laws in connection with the transactions contemplated by this Agreement and the Plan of Arrangement; and
  - (viii) except as required by applicable Law, or with the prior written consent of Alamos, which shall not be unreasonably withheld, conditioned or delayed, the Arrangement Resolution shall be the only matter of business transacted at the Carlisle Meeting; provided that, if Carlisle is required by applicable Law, or permitted by Alamos in writing, to transact any other item of business at the Carlisle Meeting, Carlisle shall cause the Arrangement Resolution to be considered and voted upon before any other item of business to be transacted at the Carlisle Meeting.
- (b) Amendments to Carlisle Circular. In a timely and expeditious manner and subject to providing Alamos with a reasonable opportunity to comment thereon, Carlisle shall

prepare and file any mutually agreed (or as otherwise required by applicable Laws) amendments or supplements to the Carlisle Circular (which amendments or supplements shall be in a form satisfactory to the Parties, acting reasonably), complying in all material respects with all applicable Laws on the date of the mailing thereof.

- (c) Adjournment. Subject to subsection 6.2(e), Carlisle shall not adjourn, postpone or cancel the Carlisle Meeting (or propose to do so), except: (i) in the case of an adjournment, if quorum is not present at the Carlisle Meeting; (ii) if required by applicable Laws; (iii) if otherwise agreed with Alamos; or (iv) if required by the Court. For greater certainty, no Change in Recommendation shall relieve Carlisle from its obligation to proceed to call and hold the Carlisle Meeting and to hold the vote on the Arrangement Resolution (provided that, except as required under applicable Laws, Carlisle shall be relieved from its obligations to actively solicit proxies in favour of the Arrangement in such circumstances), except in circumstances where this Agreement is terminated in accordance with the terms hereof.
- (d) Dissent Rights. Carlisle shall promptly provide Alamos with a copy of any purported exercise of the Dissent Rights in respect of the Arrangement Resolution and written communications with any Carlisle Shareholder purportedly exercising such Dissent Rights, and shall not settle or compromise any action brought by any present, former or purported holder of any of its securities in connection with the transactions contemplated by this Agreement, including the Arrangement, without the prior written consent of Alamos, which consent shall not be unreasonably withheld, conditioned or delayed.
- (e) Compliance with Orders. Carlisle shall forthwith carry out the terms of the Interim Order and the Final Order.
- (f) Copy of Documents. Except as otherwise provided herein, Carlisle shall furnish promptly to Alamos a copy of any filings made under any applicable Laws and any dealings or communications with any Governmental Entity, Securities Authority or stock exchange in connection with, or in any way affecting, the transactions contemplated by this Agreement (except where such material is confidential, in which case it will be provided (subject to applicable Laws) to the other Party's outside counsel on an "external counsel" basis). Carlisle shall give Alamos and its representatives during normal business hours reasonable access to its premises, assets, books, records, contracts and personnel and furnish Alamos with all such other information as Alamos may reasonably request.
- (g) Usual Business. Other than in contemplation of or as required to give effect to the transactions contemplated by this Agreement, Carlisle shall conduct business only in, and not take any action except in, the ordinary course of business, consistent with past practice.
- (h) Certain Actions Prohibited. Other than as required or expressly permitted or specifically contemplated by this Agreement, Carlisle shall not, without the prior written consent of Alamos, which consent shall not be unreasonably withheld, conditioned or delayed, directly or indirectly do any of the following, except where refraining from taking any

such action, or seeking the consent of Alamos, as the case may be, would be contrary to applicable Laws:

- (i) issue, sell or grant, or agree to issue, sell or grant, any shares or other securities of, or any options, warrants, calls, conversion privileges or rights of any kind to acquire any shares of, Carlisle, other than the issue of Carlisle Shares in accordance with the Carlisle Options or Carlisle Warrants issued and outstanding on the date hereof in accordance with their terms as of the date hereof or as required by the Carlisle Rights Plan;
- (ii) other than pursuant to obligations or rights under existing contracts, agreements and commitments (to the extent such rights have been exercised or initiated by other Persons), sell, lease, encumber or otherwise dispose of any property or assets or enter into any agreement or commitment in respect of any of the foregoing including pursuant to any royalty, streaming or similar arrangement;
- (iii) amend or propose to amend the articles or by-laws of Carlisle or any of the terms of the Carlisle Shares, Carlisle Options or Carlisle Warrants (except as set forth herein) as they exist at the date of this Agreement;
- (iv) reduce its stated capital, or split, combine or reclassify any of the shares or other securities of Carlisle, or declare, set aside or pay any dividend or other distribution payable in cash, securities, property or otherwise with respect to the Carlisle Shares;
- (v) redeem, purchase or offer to purchase any Carlisle Shares and, other than pursuant to the Carlisle Option Plans or the Carlisle Rights Plan, any other securities or rights under existing contracts, agreements and commitments;
- (vi) take any action that would result in any material amendment, modification or change of any term of any Financial Indebtedness by Carlisle;
- (vii) adopt any resolutions or enter into any agreement providing for the amalgamation, merger, consolidation, reorganization, liquidation, dissolution or any other extraordinary transaction in respect of itself, or adopt any plan of liquidation;
- (viii) acquire or agree to acquire any corporation, partnership or other Person (or material interest therein) or division of any corporation or other entity;
- (ix) (A) satisfy or settle any claim, dispute, Liability or obligation that is not in the ordinary course of business; (B) relinquish any contractual rights; (C) enter into any interest rate, currency or commodity swaps, hedges, caps, collars, forward sales or other similar financial instruments; (D) enter into or renew any lease, licence or other binding obligation of Carlisle (1) containing (a) any limitation or restriction on the ability of Carlisle or, following completion of the transactions contemplated hereby, the ability of Alamos or any of the Alamos Subsidiaries to engage in any type of activity or business, (b) any limitation or restriction on the manner in which, or the localities in which, all or any portion of the business of



Carlisle or following consummation of the transactions contemplated hereby, all or any portion of the business Alamos or any of the Alamos Subsidiaries, is or would be conducted, or (c) any limit or restriction on the ability of Carlisle or, following completion of the transactions contemplated hereby, the ability of Alamos or any of the Alamos Subsidiaries, to solicit customers or employees, or (2) that would reasonably be expected to materially delay or prevent the consummation of the transactions contemplated by this Agreement; or (E) except as disclosed in the Carlisle Disclosure Letter, enter into or renew any agreement, contract, lease, licence or other binding obligation of Carlisle that involves or would reasonably be expected to involve aggregate payments over the term of the contract in excess of \$200,000;

- (x) (A) acquire any assets; (B) incur any indebtedness for borrowed money or any other Liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for, the obligations of any other Person, or make any loans or advances, except inter-company guarantees and inter-company loans and advances; (C) authorize, recommend or propose any release or relinquishment of any contractual right; (D) waive, release, grant or transfer any rights of value or modify or change in any respect any existing Authorization, lease, contract, agreement, government land concession or other rights, claims or document; (E) enter into or terminate any hedges, swaps or other similar financial instruments or transactions, except for the settlement of contracts in existence as of the date of this Agreement; (F) except as disclosed in the Carlisle Disclosure Letter, enter into any financial agreements with its directors or officers or their respective affiliates; or (G) authorize, propose, permit or agree to any of the above;
- (xi) initiate any material discussion, negotiations or filings with any Governmental Entity regarding any matter (including with respect to the Arrangement or the transactions contemplated by this Agreement or regarding the status of the Carlisle Property or the Carlisle Mineral Rights) without the prior consent of Alamos such consent not to be unreasonably withheld, delayed or conditioned and further agrees, subject to applicable Law, to provide Alamos with immediate notice of any material communication (whether oral or written) from a Governmental Entity, including a copy of any written communication;
- (xii) enter into new commitments of a capital expenditure nature or incur any new contingent Liabilities other than: (A) ordinary course expenditures; (B) expenditures required by Laws; (C) expenditures made in connection with transactions contemplated in this Agreement; and (D) capital expenditures required to prevent the occurrence of a Material Adverse Effect;
- (xiii) create any new obligations or Liabilities or modify or in any manner amend any existing obligations and Liabilities to pay any amount, including loan amounts, to its officers, directors, employees and consultants, other than for ordinary course salary, bonuses under its or their existing bonus arrangements and directors' fees in the ordinary course, in each case in amounts consistent with historic practices

and obligations or liabilities or arising in the ordinary and usual course of business;

- (xiv) adopt or amend or make any material contribution to any Carlisle Benefit Plan, the Carlisle Option Plans or any other bonus, profit sharing, retention, option, deferred compensation, incentive compensation, other compensation or other similar plan, agreement, trust, fund or arrangements for the benefit of employees, except as is necessary to comply with applicable Laws or the terms of such plans, programs, arrangements or agreements where the failure to so comply would result in a material breach of such plans, programs, arrangements or agreements;
  - (xv) take actions or fail to take any action that could reasonably be expected to be prejudicial in any material respect to Alamos's interest in the business, property or assets of Carlisle following the completion of the Arrangement;
  - (xvi) acquire any securities of Alamos or any option, rights or entitlements to acquire any securities of Alamos or enter into any commitment or agreement to do any of the foregoing; or
  - (xvii) except as required by IFRS or any applicable Laws, make any changes to the existing accounting policies of Carlisle or make any material tax election inconsistent with past practice other than as contemplated in this Agreement.
- (i) Employment Arrangements. Other than as disclosed in the Carlisle Disclosure Letter or as expressly permitted by this Agreement, Carlisle shall not without the prior written consent of Alamos, which shall not be unreasonably withheld, delayed or conditioned, enter into or modify any employment, consulting, severance, collective bargaining or similar agreement, policy or arrangement with, or grant any bonus, salary increase, option to purchase shares or other equity award, pension or supplemental pension benefit, profit sharing, retirement allowance, deferred compensation, incentive compensation, severance, change of control, retention bonus or payments, or termination pay to, or make any loan to, any officer or director of Carlisle.
  - (j) Insurance. Carlisle shall use commercially reasonable efforts to cause its current insurance (and reinsurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of internationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect.
  - (k) Mineral Rights and Properties. Carlisle shall use commercially reasonable efforts to maintain and preserve all of its rights under each of the Carlisle Mineral Rights, Carlisle Property and under each of its Authorizations.
  - (l) Kingstone. Prior to the Effective Time, all of the outstanding shares of Kingstone shall be transferred to the Kingstone Founder for nominal consideration on the following basis:

- (i) Kingstone shall be entitled to use any non-public information possessed by Kingstone or Carlisle as of the date hereof, and any analyses developed by Kingstone or Carlisle prior to the date hereof, in either case in connection with the proposed royalty business of Kingstone, free and clear of any claim by Carlisle, provided that such information and analyses do not relate in any way to any of the property or assets of Carlisle.
- (ii) Carlisle shall acknowledge in favour of Kingstone that it does not have any claim, right or interest in or to such information or analyses.
- (iii) Until the shares of Kingstone are transferred to the Kingstone Founder, Carlisle shall ensure that Kingstone does not carry on any business or operations, acquire any right, title or interest in any property, assets or undertaking, or incur any indebtedness, liability or undertaking. Without limiting the generality of the foregoing, Carlisle shall not, directly or indirectly, without the prior written consent of Alamos, which consent may be withheld by Alamos at its sole discretion, except as explicitly set forth in this Agreement, do, cause to be done, or undertake to do or cause to be done, any activity of any nature or kind, relating to Kingstone including but not limited to activities relating to the business, operations, activities, affairs, ownership, assets, liabilities or obligations of Kingstone.
- (iv) Carlisle shall carry-out the transfer of the Kingstone shares in a manner satisfactory to Alamos, acting reasonably, and in accordance with Section 5.3(e), and Carlisle shall keep Alamos fully informed as to all material actions taken with respect to such transfer of ownership.
- (v) All financial obligations or expenses related to the activities of Kingstone and incurred or committed prior to the date hereof (including unbilled legal fees, accrued consultant's fees through to contract termination, reimbursement of legal and other expenses of potential financiers and the costs of the transfer of ownership) shall be assumed and paid by Carlisle, up to a maximum of \$400,000. Except as aforesaid, any financial obligations, activities or expenses of Kingstone (i) incurred or committed after the date hereof or (ii) incurred or committed prior to the date hereof but exceeding the \$400,000 maximum described above, shall be assumed by Kingstone.
- (vi) Carlisle shall use its commercially reasonable efforts to cause any and all contracts, agreements, leases, licences, commitments or arrangements to which Carlisle is a party or by which it is bound relating to Kingstone's royalty business to be either novated to Kingstone or terminated in accordance with its terms such that Carlisle shall have no liability remaining thereunder.
- (vii) Subject to subsection 4.1(l)(v), Kingstone shall agree in writing to indemnify and hold harmless Carlisle, Alamos and their respective affiliates, and the directors, officers, employees, agents and other representatives of the foregoing, from any

liabilities relating to Kingstone, in form and substance satisfactory to Alamos, acting reasonably.

(m) Certain Actions. Carlisle shall:

- (i) not take any action, or refrain from taking any action (subject to commercially reasonable efforts), or permit any action to be taken or not taken, inconsistent with the provisions of this Agreement or that would reasonably be expected to materially impede the completion of the transactions contemplated hereby or would render, or that could reasonably be expected to render, any representation or warranty made by Carlisle in this Agreement untrue or inaccurate in any material respect at any time prior to the Effective Time if then made, or that would or could have a Material Adverse Effect on Carlisle;
- (ii) not participate in any material discussions, negotiations, consultations or filings or other communications, other than in the normal course of business, with (i) any Governmental Entity regarding permits or Environmental Laws with respect to the Carlisle Property or Carlisle Mineral Rights or (ii) any (or any Governmental Entity in relation to any of the foregoing) Aboriginal Groups or any Persons representing or purporting to represent any Aboriginal Group on the exercise or assertion of aboriginal rights or assertion of aboriginal title in relation to the Carlisle Property or Carlisle Mineral Rights or the transactions contemplated by this Agreement without the prior written consent of Alamos, which shall not be unreasonably withheld, conditioned or delayed, and Carlisle shall provide Alamos with prompt notice of any material communication (whether oral or written) in respect of any of the foregoing, including a copy of any written communication, and to allow Alamos to participate in any such permitted discussions, negotiations, consultations, filings or other communications; and
- (iii) promptly notify Alamos in writing of: (A) any Material Adverse Effect, or any change, event, occurrence or state of facts that could reasonably be expected to become a Material Adverse Effect, in respect of Carlisle; and (B) any material Governmental Entity or third Person complaints, investigations or hearings (or communications indicating that the same may be contemplated).

(n) No Compromise. Carlisle shall not settle or compromise any claim brought by any present, former or purported holder of any securities of Carlisle in connection with the transactions contemplated by this Agreement prior to the Effective Time without the prior written consent of Alamos, which consent shall not be unreasonably withheld, conditioned or delayed.

(o) Contractual Obligations. Without the prior written agreement of Alamos, Carlisle shall not enter into, renew or modify in any material respect any instruments governing Financial Indebtedness, material contract, agreement, lease, commitment or arrangement to which Carlisle is a party or by which it is bound, except insofar as may be necessary to permit or provide for the completion of the Arrangement or where to do so would not have a Material Adverse Effect on Carlisle.

- (p) Satisfaction of Conditions. Carlisle shall use commercially reasonable efforts to satisfy, or cause to be satisfied, all of the conditions precedent to its obligations to the extent that the same is within its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the transactions contemplated by this Agreement, including using commercially reasonable efforts to:
- (i) obtain the approval of the Carlisle Shareholders with respect to the Arrangement Resolution in accordance with the provisions of the OBCA, the Interim Order and the requirements of any applicable regulatory authority;
  - (ii) obtain all consents, approvals and authorizations as are required to be obtained by Carlisle under any applicable Laws or from any Governmental Entity that would, if not obtained, materially impede the completion of the transactions contemplated by this Agreement or have a Material Adverse Effect on Carlisle;
  - (iii) effect all necessary registrations, filings and submissions of information required by Governmental Entities to be effected by it in connection with the transactions contemplated by this Agreement and participate, and appear in any proceedings of, any Party hereto before any Governmental Entity in connection with the transactions contemplated by this Agreement;
  - (iv) oppose, lift or rescind any injunction or restraining order or other order or action challenging or affecting this Agreement, the transactions contemplated by this Agreement or seeking to stop, or otherwise adversely affecting the ability of the Parties hereto to consummate, the transactions contemplated hereby;
  - (v) cause the issuance of the 3(a)(10) Securities pursuant to the Arrangement to be exempt from the registration requirements of the 1933 Act pursuant to the Section 3(a)(10) Exemption and all applicable state securities laws in reliance upon similar exemptions;
  - (vi) obtain all third party consents, waivers and approvals and give any notices required under any of the contracts to which Carlisle is a party or its assets are bound;
  - (vii) fulfill all conditions and satisfy all provisions of this Agreement and the Plan of Arrangement required to be fulfilled or satisfied by Carlisle;
  - (viii) acting reasonably and in good faith, negotiate and document final versions of all agreements, certificates or instruments contemplated by this Agreement on the terms and conditions set forth in this Agreement; and
  - (ix) cooperate with Alamos in connection with the performance by it of its obligations hereunder, provided however that the foregoing shall not be construed to obligate Carlisle to pay or cause to be paid any monies to cause such performance to occur.

- (q) Keep Fully Informed. Subject to applicable Laws, Carlisle shall use commercially reasonable efforts to conduct itself so as to keep Alamos fully informed as to the material decisions or actions required or required to be made with respect to the operation of its business. Without limiting the foregoing, prior to making any material cash expenditure (other than expenditures committed prior to the date of this Agreement), Carlisle shall inform Alamos of the nature and amount thereof.
- (r) Cooperation. Carlisle shall make, or cooperate as necessary in the making of, all necessary filings and applications under all applicable Laws required in connection with the transactions contemplated hereby and take all reasonable action necessary to be in compliance with such Laws.
- (s) Representations. Carlisle shall use commercially reasonable efforts to conduct its affairs so that all of the representations and warranties of Carlisle contained herein shall be true and correct on and as of the Effective Date as if made on and as of such date.
- (t) Taxes. Carlisle shall:
  - (i) duly and timely file all Tax Returns required to be filed by it on or after the date hereof and all such Tax Returns will be true, complete and correct in all material respects;
  - (ii) in a timely manner withhold, collect, remit to the appropriate Governmental Entity and pay all Taxes which are required by applicable Laws to be withheld, collected, remitted or paid by it to the extent due and payable;
  - (iii) not make or rescind any material express or deemed election relating to Taxes, except with the consent of Alamos, such consent not to be unreasonably withheld, conditioned or delayed;
  - (iv) not make a request for a Tax ruling or enter into any agreement with any Governmental Entity or consent to any extension or waiver of any limitation period with respect to Taxes, except with the consent of Alamos, such consent not to be unreasonably withheld, conditioned or delayed;
  - (v) not settle or compromise any claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to Taxes, except with the consent of Alamos, such consent not to be unreasonably withheld, conditioned or delayed; and
  - (vi) not change any of its methods of accounting for income Tax purposes from those employed in the preparation of its income Tax Returns for the taxation year ended August 31, 2014, except as may be required by applicable Laws or IFRS.

## 4.2 Covenants of Alamos

Subject to the other terms and conditions of this Agreement, Alamos hereby covenants and agrees with Carlisle as follows:



- (a) Information for Carlisle Circular. In a timely and expeditious manner, Alamos shall provide to Carlisle all information as may be reasonably requested by Carlisle so as to permit Carlisle Shareholders to make a reasoned judgment in respect of the Arrangement Resolution, or as required by the Interim Order or applicable Laws with respect to Alamos and the Alamos Subsidiaries and their respective businesses and properties for inclusion in the Carlisle Circular or in any amendment or supplement to the Carlisle Circular that complies in all material respects with all applicable Laws on the date of the mailing thereof and containing all material facts relating to Alamos and the Alamos Subsidiaries required to be disclosed in the Carlisle Circular (including any pro forma financial statements) and not containing any misrepresentation (as defined under applicable Laws) with respect thereto. Alamos shall provide Carlisle with a reasonable opportunity to comment on the information and documents provided by Alamos and shall reasonably consider all comments provided thereon by Carlisle. Alamos shall use commercially reasonable efforts to obtain consents of auditors and other advisors to use financial, technical or expert information in the Carlisle Circular and fully cooperate with Carlisle in the preparation of the Carlisle Circular.
- (b) Copy of Documents. Except as otherwise provided herein, Alamos shall furnish promptly to Carlisle a copy of any filings made under any applicable Laws and any dealings or communications with any Governmental Entity, Securities Authority or stock exchange in connection with, or in any way affecting, the transactions contemplated by this Agreement (except where such material is confidential, in which case it will be provided (subject to applicable Laws) to the other Party's outside counsel on an "external counsel" basis).
- (c) Certain Actions Prohibited. Alamos shall not, prior to the Effective Time, split, combine or reclassify any of the Alamos Shares, or declare, set aside or pay any dividend or other distribution payable in cash, securities, property or otherwise with respect to the Alamos Shares (other than quarterly or semi-annual cash dividends in respect of the Alamos Shares paid in the ordinary course of business of Alamos);
- (d) Certain Actions. Alamos shall:
  - (i) not take any action, or refrain from taking any action (subject to commercially reasonable efforts), or permit any action to be taken or not taken, inconsistent with the provisions of this Agreement or that would reasonably be expected to materially impede the completion of the transactions contemplated hereby or would render, or that could reasonably be expected to render, any representation or warranty made by Alamos in this Agreement untrue or inaccurate in any material respect at any time prior to the Effective Time if then made or that would or could have a Material Adverse Effect on Alamos; and
  - (ii) promptly notify Carlisle in writing of: (A) any Material Adverse Effect, or any change, event, occurrence or state of facts that could reasonably be expected to become a Material Adverse Effect, in respect of Alamos, and (B) any material Governmental Entity or third Person complaints, investigations or hearings (or communications indicating that the same may be contemplated).

- (e) Satisfaction of Conditions. Alamos shall use commercially reasonable efforts to satisfy, or cause to be satisfied, all of the conditions precedent to its obligations to the extent that the same is within its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the transactions contemplated by this Agreement, including using commercially reasonable efforts to:
- (i) obtain all consents, approvals and authorizations as are required to be obtained by Alamos under any applicable Laws or from any Governmental Entity that would, if not obtained, materially impede the completion of the transactions contemplated by this Agreement or have a Material Adverse Effect on Alamos;
  - (ii) effect all necessary registrations, filings and submissions of information required by Governmental Entities to be effected by it in connection with the transactions contemplated by this Agreement and participate, and appear in any proceedings of, any Party hereto before any Governmental Entity;
  - (iii) cause the issuance of the 3(a)(10) Securities pursuant to the Arrangement to be exempt from the registration requirements of the 1933 Act pursuant to the Section 3(a)(10) Exemption and all applicable state securities laws in reliance upon similar exemptions;
  - (iv) obtain all third party consents, waivers and approvals and give any notices required under any of the material contracts to which Alamos or any of the Alamos Subsidiaries is a party or its or their respective assets are bound;
  - (v) cause the Alamos Shares to be issued pursuant to the Arrangement (including Alamos Shares issuable upon the exercise of Carlisle Options and Carlisle Warrants and Alamos Shares to be issued to Non-Continuing Employees in accordance with Section 4.6) to be listed on the TSX and NYSE and the Alamos Arrangement Warrants on the TSX, and reserve a sufficient number of Alamos Shares for issuance and listing on the TSX and NYSE upon exercise of Alamos Arrangement Warrants;
  - (vi) fulfill all conditions and satisfy all provisions of this Agreement and the Plan of Arrangement required to be fulfilled or satisfied by Alamos;
  - (vii) acting reasonably and in good faith, negotiate and document final versions of all agreements, certificates or instruments contemplated by this Agreement on the terms and conditions set forth in this Agreement; and
  - (viii) cooperate with Carlisle in connection with the performance by Carlisle of its obligations hereunder, provided however that the foregoing shall not be construed to obligate Alamos to pay or cause to be paid any monies to cause such performance to occur.
- (f) Cooperation. Alamos shall make, or cooperate as necessary in the making of, all necessary filings and applications under all applicable Laws required in connection with

the transactions contemplated hereby and take all reasonable action necessary to be in compliance with such Laws.

- (g) Representations. Alamos shall use commercially reasonable efforts to conduct its affairs and to cause the Alamos Subsidiaries to conduct their affairs so that all of the representations and warranties of Alamos contained herein shall be true and correct on and as of the Effective Date as if made on and as of such date.
- (h) Section 85 Election. Alamos shall make joint elections with Eligible Shareholders in respect of the disposition of their Carlisle Shares pursuant to section 85 of the Tax Act (or any similar provision of any provincial tax legislation) in accordance with the procedures and within the time limits set out in the Plan of Arrangement. The agreed amount under such joint elections shall be determined by each Eligible Shareholder in his or her sole discretion within the limits set out in the Tax Act.

### **4.3 Indemnification and Insurance**

- (a) Alamos agrees that all rights to indemnification or exculpation now existing in favour of current and former directors or officers of Carlisle as provided in the articles and by-laws thereof, or in any agreement, and the directors' and officers' liability insurance referred to in subsection 4.3(c), shall survive the completion of the Arrangement and shall continue in full force and effect for a period of not less than six years from the Effective Date.
- (b) Alamos and Carlisle shall act as agent and trustee of the benefits of the foregoing for such directors and officers for the purpose of this Section 4.3 and this Section 4.3 shall survive the execution and delivery of this Agreement and the completion of the Arrangement and shall be enforceable against Alamos and the Alamos Subsidiaries by the Persons described in subsection 4.3(a) hereof.
- (c) Prior to the Effective Date, Carlisle shall arrange and pay for directors' and officers' liability "run-off" insurance coverage for a term of six (6) years in favour of its current and former directors and officers, for a lump sum amount not to exceed \$35,650 (unless such additional amount is approved in writing by Alamos).

### **4.4 Shareholder Rights Plan**

Subject to applicable Laws, Carlisle shall take all necessary action prior to the Effective Date to (a) render the Carlisle Rights Plan inapplicable to the Arrangement and the other transactions contemplated by this Agreement and (b) ensure that the application of any of the relevant provisions of the Carlisle Rights Plan to the Arrangement or any of the transactions contemplated by this Agreement shall be waived or the rights thereunder shall be redeemed or terminated immediately prior to the Effective Date.

### **4.5 Adjustments Regarding Distributions**

If on or after the date hereof, Alamos sets a record date for any dividend or other distribution on an Alamos Share that is prior to the Effective Time or Alamos pays any dividend or other

distribution on an Alamos Share prior to the Effective Time, in each case other than quarterly or semi-annual cash dividends in respect of the Alamos Shares paid in the ordinary course of business of Alamos, then the Parties shall make such adjustments to the Exchange Ratio as they determine acting in good faith to be necessary to restore the original intention of the parties in the circumstances.

#### 4.6 Employment Matters

The Parties acknowledge that the Arrangement will result in a change of control for purposes of Carlisle executive and employee (if applicable) employment and other agreements and benefit and incentive plans (collectively the “**Entitlement Plans**”), with respect to those Persons who were Carlisle executives or employees immediately prior to the Effective Time and who will not be employed or engaged by Alamos or Carlisle following the Effective Time (collectively, the “**Non-Continuing Employees**”).

All Non-Continuing Employees will be entitled to all payments, vesting, consideration and other benefits (including change of control payments or severance) upon their termination and/or resignation from Carlisle in accordance with the “change of control” provisions contained in the Entitlement Plans. Subject to receipt of all required regulatory approvals and remittance of all required deductions and withholdings including any HST payable (all of which shall be payable to the applicable Governmental Entity in cash) and the terms of the Entitlement Plans, such net amounts payable to the Non-Continuing Employees in connection with the foregoing may, at the election of Alamos and subject to amendments to such Entitlement Plans as hereinafter provided, be settled in Alamos Shares based on the 5-day volume-weighted average price of Alamos Shares on the date prior to the Effective Date. Carlisle shall use its commercially reasonable efforts to, prior to the Effective Date, amend the terms of the Entitlement Plans to permit the foregoing.

#### 4.7 Carlisle Options and Carlisle Warrants

- (a) Subject to receipt of applicable stock exchange approvals and, if necessary, the terms and conditions of all Carlisle Options owned by each holder of Carlisle Options that are not exercised or terminated immediately prior to the Effective Time shall be amended such that, in lieu of the Carlisle Shares issuable upon exercise thereof:
  - (i) a number of such Carlisle Options (the “**Alamos Share Options**”) shall be exercisable exclusively for such number of Alamos Shares which is equal to the number of Carlisle Shares that were the subject of such Carlisle Options immediately prior to the Effective Time multiplied by the Exchange Ratio at an exercise price per Alamos Share equal to the exercise price of such Carlisle Options immediately prior to the Effective Time divided by the Exchange Ratio;
  - (ii) the balance of such Carlisle Options (the “**Alamos Warrant Options**”) shall be exercisable exclusively for such number of Alamos Arrangement Warrants which is equal to the number of Carlisle Shares that were the subject of such Carlisle Options immediately prior to the Effective Time multiplied by the Exchange Ratio at an exercise price per Alamos Arrangement Warrant equal to the exercise price of such Carlisle Options immediately prior to the Effective Time divided by the Exchange Ratio;

- (iii) the number of Carlisle Options described in (i) shall be equal to the proportion of the total number of Carlisle Options owned by such holder of Carlisle Options immediately prior to the Effective Time that the fair market value of an Alamos Share at the Effective Time is of the fair market value of the consideration at the Effective Time; and
  - (iv) following the Effective Time, the Carlisle Options shall have the same term to expiry date (the last day of each respective term being its “expiry date”) and vesting schedule (if any) as those of the corresponding Carlisle Options immediately prior to the Effective Time and shall otherwise be subject to the terms and conditions of the applicable Carlisle Option Plans, except that, subject to applicable stock exchange approval if required, such Carlisle Options shall not expire on termination of office or employment or otherwise in any circumstances prior to their respective expiry dates.
- (b) Subject to receipt of applicable stock exchange approvals, following the Effective Time, any Carlisle Warrants that are not exercised or terminated prior to the Effective Time shall be arranged pursuant to the Plan of Arrangement such that each Carlisle Warrant shall be exercisable for such number of Alamos Shares and Alamos Arrangement Warrants (together, a “unit”) which is equal to the number of Carlisle Shares that were the subject of such Carlisle Warrant prior to the Effective Time multiplied by the Exchange Ratio at an exercise price per unit equal to the exercise price of such Carlisle Warrant prior to the Effective Time divided by the Exchange Ratio (and rounded up to the nearest decimal fraction having two decimal places). Following the Effective Time, except as aforesaid, the Carlisle Warrants shall have the same terms, conditions and exercise schedule as the corresponding Carlisle Warrants immediately prior to the Effective Time.

#### **4.8 Joint Venture Agreement and Investor Rights Agreement**

- (a) Notwithstanding any provision of the Joint Venture Agreement, from the date hereof until termination of this Agreement in accordance with the terms hereof, neither Carlisle nor Alamos shall fund any additional Special Exploration (as defined in the Joint Venture Agreement), whether or not previously approved or contained within an approved Special Exploration Plan and Budget (as defined in the Joint Venture Agreement), and Carlisle shall not carry on any Special Exploration during such period. Notwithstanding the foregoing, the Parties agree that the Parties shall pay their respective shares of the costs and expenses of Special Exploration completed to the date of this Agreement. In addition, all costs and expenses relating to the cessation of current Special Exploration work programs and demobilization relating thereto shall be charged to the Special Exploration budget and, in the event that this Agreement is terminated and the Arrangement is not completed, Alamos shall fund all of the costs and expenses related to such cessation and demobilization.
- (b) Notwithstanding any provision of the Investor Rights Agreement, from the date hereof until termination of this Agreement in accordance with the terms hereof, to the extent of any conflict between the provisions of the Investor Rights Agreement and this

Agreement, the provisions of this Agreement shall prevail. Without limiting the generality of the foregoing, from the date hereof until termination of this Agreement in accordance with the terms hereof, the provisions of article 5 (Strategic Rights) of the Investor Rights Agreement shall not have any effect and the provisions of section 6.2 (Standstill) of the Investor Rights Agreement shall be waived for the purposes of this Agreement.

## **ARTICLE 5 CONDITIONS**

### **5.1 Mutual Conditions**

The respective obligations of Alamos and Carlisle to complete the Arrangement are subject to the fulfillment of the following conditions at or before the Completion Deadline or such other time as is specified below:

- (a) the Interim Order shall have been granted in form and substance satisfactory to Alamos and Carlisle, each acting reasonably, and shall not have been set aside or modified in a manner unacceptable to Alamos or Carlisle, each acting reasonably, on appeal or otherwise;
- (b) the Arrangement Resolution shall have been passed by the Carlisle Shareholders in accordance with the Interim Order;
- (c) the Final Order shall have been granted in form and substance satisfactory to Alamos and Carlisle, each acting reasonably, and shall not have been set aside or modified in a manner unacceptable to Alamos and Carlisle, each acting reasonably, on appeal or otherwise;
- (d) holders of not greater than 5% of the outstanding Carlisle Shares shall have exercised Dissent Rights that have not been withdrawn as of the Effective Date;
- (e) there shall not be in force any Laws, ruling, order or decree, and there shall not have been any action taken under any Laws or by any Governmental Entity or other regulatory authority, that makes it illegal or otherwise directly or indirectly restrains, enjoins or prohibits the consummation of the Arrangement in accordance with the terms hereof or results or could reasonably be expected to result in a judgment, order, decree or assessment of damages, directly or indirectly, relating to the Arrangement that has, or could reasonably be expected to have, a Material Adverse Effect on Alamos or Carlisle;
- (f) the Alamos Arrangement Warrants shall have been conditionally approved for listing on the TSX;
- (g) the TSX and NYSE shall have conditionally approved the listing thereon, subject to official notice of issuance, of the Alamos Shares to be issued pursuant to the Arrangement, including Alamos Shares to be issued upon the exercise of Alamos Arrangement Warrants and Alamos Shares to be issued upon exercise of Carlisle Options



and Carlisle Warrants and upon exercise of Alamos Arrangement Warrants issuable thereunder;

- (h) (A) all consents, waivers, permits, exemptions, orders and approvals of, and any registrations and filings with, any Governmental Entity, in connection with, or required to permit, the completion of the Arrangement including the Laws of any jurisdiction which Alamos and Carlisle reasonably determine to be applicable, and (B) all third Person and other consents, waivers, permits, exemptions, orders, approvals, agreements and amendments and modifications to agreements, indentures or arrangements, the failure of which to obtain or the non-expiry of which would, or could reasonably be expected to have, a Material Adverse Effect on Alamos or Carlisle or materially impede the completion of the Arrangement, shall have been obtained or received on terms that are reasonably satisfactory to Alamos and Carlisle, each acting reasonably;
- (i) the distribution of the Alamos Shares and Alamos Arrangement Warrants in Canada pursuant to the Arrangement and the distribution of the Alamos Shares in Canada upon exercise of the Alamos Arrangement Warrants is exempt from, or otherwise not subject to, registration and prospectus requirements of applicable Canadian securities Laws and, except with respect to Persons deemed to be “control persons” or the equivalent under applicable securities Laws, the Alamos Shares and Alamos Arrangement Warrants to be distributed in Canada pursuant to the Arrangement or the Alamos Shares to be distributed in Canada pursuant to the exercise of the Alamos Arrangement Warrants are not subject to any resale restrictions under applicable Canadian securities Laws; and
- (j) this Agreement shall not have been terminated pursuant to Section 7.2 hereof.

The foregoing conditions are for the mutual benefit of Alamos and Carlisle and may be waived by mutual consent of Alamos and Carlisle in writing at any time.

## **5.2 Carlisle Conditions**

The obligation of Carlisle to complete the Arrangement is subject to the fulfillment of the following additional conditions at or before the Completion Deadline or such other time as is specified below:

- (a) the representations and warranties made by Alamos in this Agreement shall be true and correct in all respects without regard to any materiality or Material Adverse Effect qualifications contained in them, as of the Effective Date, as though made on and as of the Effective Date (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except to the extent that the failure or failures of such representations and warranties to be so true and correct in all respects, individually or in the aggregate, would not result in a Material Adverse Effect, or such failure resulted from any action taken by or omission of (i) Alamos to which Carlisle consented, or (ii) any Party as required or permitted under this Agreement; and Carlisle shall have received a certificate of Alamos addressed to Carlisle and dated the Effective Date, signed on behalf of Alamos by a senior executive officer of Alamos

(on Alamos's behalf and without personal liability), confirming the same as at the Effective Date;

- (b) from the date of this Agreement to the Effective Date, there shall not have occurred, and Alamos or any of the Alamos Subsidiaries shall not have incurred or suffered, any one or more changes, effects, events, occurrences or states of facts that, either individually or in the aggregate, have, or could reasonably be expected to have, a Material Adverse Effect on Alamos; and
- (c) Alamos shall have complied in all material respects with its covenants herein and Carlisle shall have received a certificate of Alamos addressed to Carlisle and dated the Effective Date, signed on behalf of Alamos by a senior executive officer of Alamos (on Alamos's behalf and without personal liability), confirming the same as at the Effective Date.

The foregoing conditions are for the benefit of Carlisle and may be waived, in whole or in part, by Carlisle in writing at any time.

### **5.3 Alamos Conditions**

The obligation of Alamos to complete the Arrangement is subject to the fulfillment of the following additional conditions at or before the Completion Deadline or such other time as is specified below:

- (a) the representations and warranties made by Carlisle in this Agreement shall be true and correct in all respects without regard to any materiality or Material Adverse Effect qualifications contained in them, as of the Effective Date, as though made on and as of the Effective Date (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except to the extent that the failure or failures of such representations and warranties to be so true and correct in all respects, individually or in the aggregate, would not result in a Material Adverse Effect, or such failure resulted from any action taken by or omission of (i) Carlisle to which Alamos consented, or (ii) any Party as required or permitted under this Agreement; and Alamos shall have received a certificate of Carlisle addressed to Alamos and dated the Effective Date, signed on behalf of Carlisle by a senior executive officer of Carlisle (on Carlisle's behalf and without personal liability), confirming the same as at the Effective Date;
- (b) from the date of this Agreement to the Effective Date, there shall not have occurred, and Carlisle shall not have incurred or suffered, any one or more changes, effects, events, occurrences or states of facts that, either individually or in the aggregate, have, or could reasonably be expected to have, a Material Adverse Effect on Carlisle;
- (c) Carlisle shall have complied in all material respects with its covenants herein and Alamos shall have received a certificate of Carlisle addressed to Alamos and dated the Effective Date, signed on behalf of Carlisle by a senior executive officer of Carlisle (on Carlisle's behalf and without personal liability), confirming the same as at the Effective Date; and

- (d) the employment agreements with Non-Continuing Employees shall have been amended to permit the settlement of payment to Non-Continuing Employees through the issuance of Alamos Shares in accordance with Section 4.6, the issuance of such Alamos Shares to such Non-Continuing Employees shall have been approved by the TSX and NYSE, and the issuance of such Alamos Shares to such Non-Continuing Employees shall be exempt from, or otherwise not subject to, registration and prospectus requirements of applicable Canadian and United States securities Laws;
- (e) all issued and outstanding shares of Kingstone shall have been transferred by Carlisle to the Kingstone Founder such that Carlisle shall no longer hold any shares of, or interest in, Kingstone as of the Effective Time, in the manner contemplated by subsection 4.1(l), evidence of such transfer, satisfactory to Alamos, acting reasonably, shall have been provided to Alamos, and Carlisle and Alamos shall have received the indemnities referred to in Section 4.1(l)(vii); and
- (f) Alamos shall have received a legal opinion, in form and substance satisfactory to Alamos, acting reasonably, of Carlisle's legal counsel addressed to Alamos as to: (i) the legal status of Carlisle; (ii) the qualification of Carlisle to carry on business as an extra-provincial corporation in the Province of Manitoba; (iii) the corporate power and authority of Carlisle to own and operate the Carlisle Property and the Carlisle Mineral Rights, and (iv) Carlisle's title to the Carlisle Property and the Carlisle Mineral Rights.

The foregoing conditions are for the benefit of Alamos and may be waived, in whole or in part, by Alamos in writing at any time.

#### **5.4 Notice and Cure Provisions**

Each Party hereto shall give prompt notice to the other of them of the occurrence, or failure to occur, at any time from the date hereof until the Effective Date, of any event or state of facts which occurrence or failure would, would be likely to or could:

- (a) cause any of the representations or warranties of such Party hereto contained herein to be untrue or inaccurate in any respect on the date hereof or on the Effective Date;
- (b) result in the failure to comply with or satisfy any covenant or agreement to be complied with or satisfied by such Party hereto prior to the Effective Date; or
- (c) result in the failure to satisfy any of the conditions precedent in favour of the other Party hereto contained in Section 5.1, Section 5.2 or Section 5.3 hereof, as the case may be.

Subject as herein provided, a Party hereto may elect not to complete the transactions contemplated hereby by virtue of the conditions contained in Section 5.1, Section 5.2 or Section 5.3 hereof not being satisfied or waived or exercise any termination right arising therefrom; provided, however, that (i) promptly and in any event prior to the Completion Deadline, the Party hereto intending to rely thereon has delivered a written notice to the other Party hereto specifying in reasonable detail the breaches of covenants or untruthfulness or inaccuracy of representations and warranties or other matters that the Party hereto delivering such notice is asserting as the basis for the exercise of the termination right, as the case may be, and (ii) if any such notice is delivered, and a Party hereto is proceeding diligently, at its

own expense, to cure such matter, if such matter is susceptible to being cured, the Party hereto that has delivered such notice may not terminate this Agreement until the earlier of the Completion Deadline and the expiration of a period of fifteen (15) days from date of delivery of such notice. If such notice has been delivered prior to the date of the Carlisle Meeting, the Carlisle Meeting shall be adjourned or postponed until the expiry of such period.

## **5.5 Merger of Conditions**

The conditions set out in Section 5.1, Section 5.2 and Section 5.3 hereof shall be conclusively deemed to have been satisfied, fulfilled or waived upon the issuance of the Certificate of Arrangement.

# **ARTICLE 6 NON-SOLICITATION AND TERMINATION FEES**

## **6.1 Carlisle Covenant Regarding Non-Solicitation**

- (a) Carlisle shall not, directly or indirectly, through any officer, director, employee, representative, advisor or agent of Carlisle (collectively, for the purpose of Sections 6.1 and 6.2, the “**Representatives**”), or otherwise cause any Representative to:
  - (i) make, solicit, initiate, facilitate, entertain, encourage, permit or promote (including by way of furnishing information, knowingly permitting any visit to facilities or properties of Carlisle or entering into any form of agreement, arrangement or understanding) any inquiries, proposals, expressions of interest or offers regarding, constituting or that may reasonably be expected to lead to a Carlisle Acquisition Proposal or potential Carlisle Acquisition Proposal;
  - (ii) participate, directly or indirectly, in any discussions or negotiations regarding, or furnish to any Person any information or otherwise cooperate with, respond to, assist or participate in, any effort or attempt to make any Carlisle Acquisition Proposal or potential Carlisle Acquisition Proposal;
  - (iii) remain neutral with respect to, or agree to, approve or recommend, or propose publicly to remain neutral with respect to, agree to, approve or recommend any Carlisle Acquisition Proposal or potential Carlisle Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to a Carlisle Acquisition Proposal until 5 Business Days (or 1 day prior to the Carlisle Meeting, if sooner) following the public commencement of such Carlisle Acquisition Proposal shall not be considered a violation of this subsection 6.1(a)(iii));
  - (iv) make, or propose publicly to make, a Change in Recommendation (provided that Carlisle shall be permitted to make a Change in Recommendation if (i) such Change in Recommendation does not relate to, or is not in response to, a Carlisle Acquisition Proposal, (ii) a Material Adverse Effect has occurred with respect to Alamos and (iii) the Carlisle Board determines in good faith after consulting with outside counsel (which may include opinions or advice, written or otherwise) that

failure to take such action would be inconsistent with the fiduciary duties of such directors under applicable Laws);

- (v) accept, enter into, or propose publicly to accept or enter into, any letter of intent, agreement, understanding or arrangement related to any Carlisle Acquisition Proposal or potential Carlisle Acquisition Proposal;
- (vi) make any public announcement or take any other action inconsistent with, or that could reasonably be likely to be regarded as detracting from, the recommendation of the Carlisle Board to approve the transactions contemplated herein; or
- (vii) take any other action which would reasonably be expected to materially impede or prevent the consummation of the Arrangement;

provided, however, that, notwithstanding the preceding part of this subsection 6.1(a), but subject to the following provisions of Sections 6.1 and 6.2 of this Agreement, the Carlisle Board and, on the direction of the Carlisle Board, any Representative may, prior to the date of the Carlisle Meeting, consider or negotiate any unsolicited Carlisle Acquisition Proposal that is reasonably expected to constitute a Superior Proposal and the Carlisle Board may make a Change in Recommendation in respect of a Superior Proposal, or approve or recommend to the Carlisle Shareholders or enter into an agreement, understanding or arrangement in respect of a Superior Proposal in accordance with the provisions of Sections 6.1 and 6.2 but in each case only if: (I) the Carlisle Acquisition Proposal or Superior Proposal, as applicable, did not result from a breach of this Agreement by Carlisle and Carlisle is in compliance with its obligations under Sections 6.1 and 6.2 of this Agreement; (II) the Carlisle Board unanimously (excluding directors who are nominees of Alamos) determines in good faith after consulting with outside counsel (which may include opinions or advice, written or otherwise) that failure to take such action would be inconsistent with the fiduciary duties of such directors under applicable Laws; and (III) prior to entering into substantive discussions or negotiations with or responding to any person regarding such Carlisle Acquisition Proposal, Carlisle notifies Alamos of the good faith determination of the Carlisle Board that such Carlisle Acquisition Proposal is or may reasonably be expected to result in a Superior Proposal.

- (b) Carlisle shall, and shall cause the Representatives to, immediately terminate and cease any discussions or negotiations with any parties (other than Alamos and its Representatives) with respect to any proposal that constitutes, or may reasonably be expected to constitute, a Carlisle Acquisition Proposal. Carlisle shall, and shall cause the Representatives to: (i) discontinue or not allow access to any Carlisle 's confidential information to any third party and (ii) immediately request the return or destruction of all information provided to any third party that has entered into a confidentiality agreement with Carlisle relating to a potential Carlisle Acquisition Proposal to the extent that such information has not previously been returned or destroyed, and shall use all commercially reasonable efforts to ensure that such requests are honoured. Carlisle agrees not to, and shall cause the Representatives not to: (A) release any third party from any confidentiality obligations contained in any agreement relating to a potential Carlisle Acquisition Proposal to which such third party is a party; or (B) waive any provision of,

or release or terminate, any non-solicitation or standstill agreement or provision or purpose or use agreement or provision contained in any confidentiality, non-disclosure, standstill or other agreements without the prior written consent of Alamos (which may be withheld or delayed in Alamos's sole and absolute discretion). Carlisle also agrees not to amend, modify or waive any such confidentiality, non-solicitation or standstill agreement or provision and undertakes to use commercially reasonable efforts to enforce such agreements and provisions.

- (c) Carlisle shall notify Alamos thereof, at first orally and then, as soon as possible thereafter, in writing, promptly and, in any event, within twenty four (24) hours of the receipt by it or a Representative, of any Carlisle Acquisition Proposal, or any amendment thereto, or any request for non-public information relating to Carlisle in connection with any potential Carlisle Acquisition Proposal or for access to the properties, books or records of Carlisle by any Person (other than in the ordinary course of business and unrelated to any potential Carlisle Acquisition Proposal). Such notice shall include a description of the terms and conditions of, and the identity of the Person making, any Carlisle Acquisition Proposal, inquiry, offer or request. Carlisle shall also promptly provide Alamos with (i) a copy of any written notice or other written communication from any Person informing Carlisle or a Representative that such Person is considering making, or has made, a Carlisle Acquisition Proposal, (ii) a copy of any Carlisle Acquisition Proposal (or any amendment thereof) received by Carlisle or a Representative and (iii) such other details of any such Carlisle Acquisition Proposal that Alamos may reasonably request. Carlisle shall keep Alamos informed of the status of any Carlisle Acquisition Proposal and keep Alamos fully informed as to the material details of all discussions or negotiations.
- (d) If Carlisle is in compliance with its obligations under subsections 6.1(a) to (c) and if Carlisle receives a request for material non-public information from a Person who is considering making or has made a written Carlisle Acquisition Proposal (the existence and content of which have been disclosed to Alamos), and the Carlisle Board determines that such proposal would, if consummated in accordance with its terms, reasonably be expected to result in a Superior Proposal or does constitute a Superior Proposal, subject to and as contemplated under this Section 6.1, then, and only in such case, the Carlisle Board may provide such Person with access to information regarding Carlisle; provided, however, that (i) Carlisle shall have entered into a confidentiality and standstill agreement with such Person containing confidentiality, purpose, use, non-solicitation and standstill provisions that are no less restrictive than those generally contained in confidentiality agreements entered into for purposes of entering into a transaction of this nature (however, such confidentiality and standstill agreement may permit such Person to make a Carlisle Acquisition Proposal in compliance with the terms of this Agreement); (ii) Alamos is provided with a complete list or copies of any and all information provided to such Person on a timely basis (unless such information was previously provided to Alamos); and (iii) Alamos is provided with prompt and similar access to such information (unless such information was previously provided to Alamos).



- (e) Carlisle shall ensure that the Representatives are aware of the provisions of this Section 6.1, and Carlisle shall be responsible for any breach of this Section 6.1 by the Representatives.

## 6.2 Notice of Superior Proposal Determination

- (a) Carlisle and the Carlisle Board shall not accept, approve, recommend or enter into any agreement, understanding or arrangement in respect of a Superior Proposal (other than a confidentiality agreement contemplated by subsection 6.1(d) hereof), unless:
  - (i) the Carlisle Meeting has not occurred;
  - (ii) the Person making the Superior Proposal is not restricted from making such Superior Proposal pursuant to an existing confidentiality, non-disclosure, standstill or other similar restriction;
  - (iii) Carlisle has complied with its obligations under Section 6.1 and the other provisions of this Article 6;
  - (iv) such Superior Proposal does not provide for the payment of any break, termination or other fees or expenses to the other party in the event that Carlisle completes the Arrangement or any similar other transaction with Alamos or any of its affiliates agreed prior to any termination of this Agreement;
  - (v) Carlisle has provided Alamos with written notice promptly following the Carlisle Board's determination, that (x) the Carlisle Acquisition Proposal constitutes a Superior Proposal and (y) the Carlisle Board intends to accept, approve, recommend or enter into any agreement with respect to such Superior Proposal and a period (the "**Response Period**") of five Business Days has elapsed from the date that is the later of: (x) the date on which Alamos receives such written notice; and (y) the date Alamos receives from Carlisle a copy of the Carlisle Acquisition Proposal (together with a copy of such agreement and any ancillary agreements) which the Carlisle Board has unanimously determined is a Superior Proposal; and
  - (vi) this Agreement is terminated under Section 7.2(i).
- (b) During the Response Period, Alamos shall have the right, but not the obligation, to propose in writing to amend the terms of this Agreement and the Arrangement. During the Response Period, Carlisle shall negotiate with Alamos in good faith and in a manner consistent with the fiduciary duties of the Carlisle Board. The Carlisle Board shall review any proposal by Alamos to amend the terms of this Agreement and the Arrangement in order to determine, in good faith and in a manner consistent with the fiduciary duties of the Carlisle Board, whether the proposed amendment by Alamos upon acceptance by Carlisle would result in the Carlisle Acquisition Proposal not being a Superior Proposal. If the Carlisle Board so determines, Carlisle shall enter into an amended agreement with Alamos reflecting the amended proposal of Alamos and will promptly reaffirm its recommendation of the Arrangement, as amended.

- (c) Carlisle acknowledges and agrees that each successive modification of any Carlisle Acquisition Proposal shall constitute a new Carlisle Acquisition Proposal for the purposes of this Section 6.2 and Alamos shall be afforded a new Response Period and the rights afforded in this Section 6.2 shall apply in respect of each such Carlisle Acquisition Proposal.
- (d) The Carlisle Board shall promptly reaffirm its recommendation of the Arrangement by press release after: (i) the Carlisle Board determines any Carlisle Acquisition Proposal is not a Superior Proposal; or (ii) the Carlisle Board determines that a proposed amendment to the terms of the Arrangement would result in the Carlisle Acquisition Proposal which has been publicly announced or made not being a Superior Proposal, and Alamos has so amended the terms of the Arrangement. Alamos and its counsel shall be given a reasonable opportunity to review and comment on the form and content of any such press release, recognizing that whether or not such comments are appropriate will be determined by Carlisle, acting reasonably.
- (e) If a Response Period would not terminate before the date fixed for the Carlisle Meeting, Carlisle shall adjourn or postpone the Carlisle Meeting to a date that is at least five Business Days and not more than 10 Business Days after the expiration of the applicable Response Period.

### 6.3 Carlisle Termination Payment Event

In the event that:

- (a) this Agreement is terminated by Alamos pursuant to subsection 7.2(b), 7.2(d), 7.2(e) or 7.2(h) hereof;
- (b) this Agreement is terminated by either Alamos or Carlisle pursuant to subsection 7.2(f) or 7.2(g) hereof and a Carlisle Acquisition Proposal shall have been made to Carlisle and made known to Carlisle Shareholders generally or shall have been made directly to Carlisle Shareholders generally or any Person shall have publicly announced an intention to make a Carlisle Acquisition Proposal in respect of Carlisle (a “**Pending Acquisition Proposal**”) and such Pending Acquisition Proposal or announced intention shall not have been publicly withdrawn prior to the Carlisle Meeting and, thereafter, the Carlisle Shareholders do not approve the Arrangement Resolution at the Carlisle Meeting, and Carlisle completes a Carlisle Acquisition Proposal with the Person who made the Pending Acquisition Proposal within twelve (12) months following the termination of this Agreement; or
- (c) this Agreement is terminated by Carlisle pursuant to subsection 7.2(i);

then Carlisle shall pay to Alamos in any of the circumstances set forth in subsections 6.3(a) or 6.3(c), at the time of the termination of this Agreement and, in the circumstances set forth in subsection 6.3(b) above, within one day following the completion of such Carlisle Acquisition Proposal, an amount in cash equal to the reasonable and documented out-of-pocket costs and expenses incurred by Alamos with respect to the Arrangement as at the time of termination of this Agreement (the “**Carlisle Termination Payment**”), in immediately available funds. Carlisle shall not be obligated to make more than one

payment pursuant to this Section 6.3. Other than payment of the Carlisle Termination Payment by Carlisle, Alamos shall have no claim against Carlisle in respect of the failure to complete the Arrangement, provided that nothing herein shall preclude Alamos from seeking injunctive relief to restrain any breach or threatened breach by Carlisle of any of its obligations hereunder or otherwise to obtain specific performance without the necessity of posting bond or security in connection therewith.

#### **6.4 Alamos Termination Payment Event**

In the event that:

- (a) this Agreement is terminated by Carlisle pursuant to subsection 7.2(c) hereof; or
- (b) this Agreement is terminated by Alamos pursuant to subsection 7.2(j) hereof,

then Alamos shall pay to Carlisle at the time of the termination of this Agreement, an amount in cash equal to the reasonable and documented out-of-pocket costs and expenses incurred by Carlisle with respect to the Arrangement as at the time of termination of this Agreement (the “**Alamos Termination Payment**”), in immediately available funds. Alamos shall not be obligated to make more than one payment pursuant to this Section 6.4. Other than payment of the Alamos Termination Payment by Alamos, Carlisle shall have no claim against Alamos in respect of the failure to complete the Arrangement, provided that nothing herein shall preclude Carlisle from seeking injunctive relief to restrain any breach or threatened breach by Alamos of any of its obligations hereunder or otherwise to obtain specific performance without the necessity of posting bond or security in connection therewith.

#### **6.5 Compliance with Disclosure Obligations**

Nothing contained in Section 6.1 and 6.2 shall prohibit Carlisle from responding through a directors’ circular or otherwise as required by applicable securities Laws to an unsolicited Carlisle Acquisition Proposal that the Carlisle Board determines is not a Superior Proposal.

### **ARTICLE 7 AMENDMENT AND TERMINATION**

#### **7.1 Amendment**

This Agreement may, at any time and from time to time, be amended by mutual written agreement of the Parties hereto without, subject to applicable Laws, further notice to or authorization on the part of the Carlisle Shareholders and any such amendment may, without limitation:

- (a) change the time for the performance of any of the obligations or acts of either of the Parties;
- (b) waive any inaccuracies in or modify any representation or warranty contained herein or in any document delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants herein contained and waive or modify the performance of any of the obligations of any of the Parties; and

- (d) waive compliance with or modify any condition herein contained;

provided, however, that notwithstanding the foregoing, following the Carlisle Meeting, except as provided in Section 4.5, the Exchange Ratio shall not be amended without the approval of the Carlisle Shareholders given in the same manner as required for the approval of the Arrangement or as may be ordered by the Court. This Agreement and the Plan of Arrangement may be amended in accordance with the Final Order, but in the event that the terms of the Final Order require any such amendment, the rights of the Parties under Sections 5.1, 5.2, 5.3, and 6.3 and Article 7 hereof shall remain unaffected.

## **7.2 Termination**

This Agreement may be terminated at any time prior to the Effective Date:

- (a) by the mutual written consent of Alamos and Carlisle, duly authorized by the board of directors of each;
- (b) subject to Section 5.4, by Alamos if Alamos is not in material breach of its obligations under this Agreement and Carlisle breaches any of its representations, warranties, covenants or agreements contained in this Agreement, which breach would give rise to the failure of a condition set forth in Section 5.1, 5.2 or 5.3;
- (c) subject to Section 5.4, by Carlisle if Carlisle is not in material breach of its obligations under this Agreement and Alamos breaches any of its representations, warranties, covenants or agreements contained in this Agreement, which breach would give rise to the failure of a condition set forth in Section 5.1, 5.2 or 5.3;
- (d) by Alamos if a Carlisle Acquisition Proposal has been made or proposed and the Carlisle Board: (i) shall have made a Change in Recommendation, or (ii) except as permitted under subsection 6.1(a)(iii), shall have failed, after being requested by Alamos in writing, to reaffirm its approval or recommendation of the Arrangement and the transactions contemplated herein as promptly as possible (but in any event within five Business Days or 1 day prior to the Carlisle Meeting if sooner) after receipt of such written request from Alamos, or (iii) shall have accepted, approved, recommended or entered into an agreement (other than a confidentiality agreement that complies with subsection 6.1(d) hereof) in respect of any Carlisle Acquisition Proposal;
- (e) by Alamos if Carlisle shall have failed to hold the Carlisle Meeting by December 16, 2015 (or such later date as may be consented to in writing by Alamos), unless such failure results from an adjournment or postponement of such meeting due to Carlisle's obligation to adjourn or postpone the meeting in the circumstances described in Section 4.1(c) or Section 5.4;
- (f) by either Alamos or Carlisle if the Carlisle Meeting shall have been held and completed and the Arrangement Resolution shall not have been approved by the Carlisle Shareholders;
- (g) by either Alamos or Carlisle if the Arrangement shall not have been completed by the Completion Deadline; provided, however, that the failure of the Arrangement to be so

completed is not the result of the breach of a representation, warranty or covenant by the Party seeking to terminate this Agreement;

- (h) by Alamos if the Carlisle Board shall have made a Change in Recommendation;
- (i) by Carlisle if Carlisle proposes to enter into any agreement, arrangement or understanding in respect of a Superior Proposal in compliance with Sections 6.1 and 6.2 hereof, provided that Carlisle has paid the Termination Payment to Alamos; and
- (j) by Alamos if an Alamos Acquisition Proposal shall have been made or any Person shall have publicly announced an intention to make an Alamos Acquisition Proposal, and (i) such Alamos Acquisition Proposal is conditional upon Alamos not proceeding with the Arrangement, or (ii) Alamos determines not to proceed with the Arrangement as a result of the Alamos Acquisition Proposal;

provided that any termination by a Party hereto in accordance with paragraphs (b) to (j) above shall be made by such Party delivering written notice thereof to the other Party hereto prior to the Effective Date and specifying therein in reasonable detail the matter or matters giving rise to such termination right.

### **7.3 Effect of Termination**

In the event of termination of this Agreement by either Alamos or Carlisle as provided in Section 7.2, this Agreement shall forthwith become void and have no further effect, and there shall be no liability or further obligation on the part of Alamos or Carlisle or their respective officers or directors under the Transaction Documents, except that:

- (a) the provisions of Section 6.3, Section 6.4, Section 8.1, Section 8.2, Section 8.3, Section 8.4, Section 8.5, Section 8.7, Section 8.10 and this Section 7.3 shall remain in full force and effect and shall survive any such termination; and
- (b) each of Alamos and Carlisle shall be released and relieved from any and all liability arising from breach of any of their representations, warranties, covenants, or agreements as set forth in the Transaction Documents save and except as provided in Section 6.3 or Section 6.4 hereof, as the case may be.

## **ARTICLE 8 GENERAL**

### **8.1 Notices**

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a Party hereto shall be in writing and shall be delivered by hand to the Party hereto to which the notice is to be given, sent by facsimile or by electronic mail to the following address or numbers or to such other address or number as shall be specified by a Party hereto by like notice. Any notice, consent, waiver, direction or other communication aforesaid shall, if delivered, be deemed to have been given and received on the date on which it was delivered to the address provided herein (if a Business Day or, if not, then the next succeeding Business Day) and if sent by facsimile or by electronic mail be deemed to have been given and received at the time of receipt (if a Business Day

or, if not, then the next succeeding Business Day) unless actually received after 5:00 p.m. (Toronto time) at the point of delivery in which case it shall be deemed to have been given and received on the next Business Day.

The addresses and numbers for service of each of the parties hereto shall be as follows:

(a) if to Carlisle:

Carlisle Goldfields Limited  
401 Bay Street, Suite 2702  
Toronto, ON M5H 2Y4

Attention: President and Chief Executive Officer  
Facsimile: 416-862-7007  
Email: adrost@carlislegold.com

With a copy (which shall not constitute notice) to:

Dickinson Wright LLP  
199 Bay Street, Suite 2200  
P.O. Box 447, Commerce Court West  
Toronto, ON M5L 1G4

Attention: Donald A. Sheldon  
Facsimile: 416-865-1398  
Email: dsheldon@dickinsonwright.com

(b) if to Alamos:

Alamos Gold Inc.  
130 Adelaide Street West, Suite 2200  
Toronto, ON M5H 3P5

Attention: Nils F. Engelstad  
Facsimile: 416-368-9932  
Email: nengelstad@alamosgold.com

With a copy (which shall not constitute notice) to:

Torys LLP  
79 Wellington St. West  
Suite 3000, P.O. Box 270, TD Centre  
Toronto, ON  
M5K 1N2

Attention: Kevin Morris  
Facsimile: (416) 865-7380  
Email: kmorris@torys.com



## **8.2 Remedies**

The Parties hereto acknowledge and agree that an award of money damages may be inadequate for any breach of this Agreement by any Party and that such breach may cause the non-breaching Party hereto irreparable harm. Accordingly, the Parties hereto agree that, in the event of any such breach or threatened breach of this Agreement by one of the Parties hereto, Alamos (if Carlisle is the breaching party) or Carlisle (if Alamos is the breaching party) will be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance. Subject to any other provision hereof, including Section 6.1 hereof, such remedies will not be the exclusive remedies for any breach of this Agreement but will be in addition to all other remedies available hereunder or at law or in equity to each of the Parties hereto.

## **8.3 Expenses**

Other than as set out in Sections 6.3 and 6.4, the Parties hereto agree that all out-of-pocket expenses incurred in connection with this Agreement and the transactions contemplated hereby, the Carlisle Meeting and the preparation and mailing of the Carlisle Circular, including legal and accounting fees, printing costs, financial advisor fees and all disbursements by advisors, shall be paid by the Party hereto incurring such expense and that nothing in this Agreement shall be construed so as to prevent the payment of such expenses. The provisions of this Section 8.3 shall survive the termination of this Agreement.

## **8.4 Time of the Essence**

Time shall be of the essence in this Agreement.

## **8.5 Entire Agreement**

This Agreement, together with the agreements and other documents herein or therein referred to, constitute the entire agreement between the Parties hereto pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no representations, warranties, covenants or conditions with respect to the subject matter hereof except as contained herein.

## **8.6 Further Assurances**

Each Party hereto shall, from time to time, and at all times hereafter, at the request of the other of them, but without further consideration, do, or cause to be done, all such other acts and execute and deliver, or cause to be executed and delivered, all such further agreements, transfers, assurances, instruments or documents as shall be reasonably required in order to fully perform and carry out the terms and intent hereof including the Plan of Arrangement.

## **8.7 Governing Law**

This Agreement shall be governed by, and be construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein but the reference to such laws shall not, by conflict of laws rules or otherwise, require the application of the law of any jurisdiction other than the Province of Ontario.

**8.8 Execution in Counterparts**

This Agreement may be executed in one or more counterparts, each of which shall conclusively be deemed to be an original and all such counterparts collectively shall be conclusively deemed to be one and the same. Delivery of an executed counterpart of the signature page to this Agreement by electronic mail or facsimile shall be effective as delivery of a manually executed counterpart of this Agreement, and any Party delivering an executed counterpart of the signature page to this Agreement by electronic mail or facsimile to any other Party shall thereafter also promptly deliver a manually executed original counterpart of this Agreement to such other Party, but the failure to deliver such manually executed original counterpart shall not affect the validity, enforceability or binding effect of this Agreement.

**8.9 Waiver**

No waiver or release by any Party hereto shall be effective unless in writing and executed by the Party granting such waiver or release and any waiver or release shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence.

**8.10 No Personal Liability**

- (a) No director or officer of Alamos shall have any personal Liability whatsoever (other than in the case of fraud or willful misconduct) to Carlisle under this Agreement or any other document delivered in connection with this Agreement or the Arrangement by or on behalf of Alamos.
- (b) No director or officer of Carlisle shall have any personal Liability whatsoever (other than in the case of fraud or willful misconduct) to Alamos under this Agreement or any other document delivered in connection with this Agreement or the Arrangement by or on behalf of Carlisle.

**8.11 Enurement and Assignment**

This Agreement shall not be assigned by any Party hereto without the prior written consent of the other Party hereto. This Agreement shall enure to the benefit of the Parties and their respective successors and permitted assigns and shall be binding upon the Parties and their respective successors.

*<Remainder of Page Intentionally Left Blank>*

**IN WITNESS WHEREOF** the Parties hereto have executed this Agreement as of the date first above written.

**ALAMOS GOLD INC.**

By: "John A. McCluskey"  
Name: John A. McCluskey  
Title: Chief Executive Officer

**CARLISLE GOLDFIELDS LIMITED**

By: \_\_\_\_\_  
Name:  
Title:

**IN WITNESS WHEREOF** the Parties hereto have executed this Agreement as of the date first above written.

**ALAMOS GOLD INC.**

By: \_\_\_\_\_  
Name:  
Title:

**CARLISLE GOLDFIELDS LIMITED**

By: "Abraham Drost" \_\_\_\_\_  
Name: Abraham Drost  
Title: President and Chief Executive Officer

**SCHEDULE A  
PLAN OF ARRANGEMENT**

**[See attached.]**

**PLAN OF ARRANGEMENT**

**respecting**

**CARLISLE GOLDFIELDS LIMITED**

**made pursuant to**

**Section 182 of the *Business Corporations Act* (Ontario)**

**ARTICLE 1  
INTERPRETATION**

**1.1 Definitions**

In this Plan of Arrangement the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

“**Alamos**” means Alamos Gold Inc., a company existing under the OBCA;

“**Alamos Arrangement Warrant**” means one whole share purchase warrant entitling the holder thereof to purchase one Alamos Share at a price of C\$10.00 until 5:00 p.m. (Toronto time) on the date that is three years following the Effective Date in accordance with the terms and conditions of a warrant indenture governing the terms of such warrant, in such form as is acceptable to Alamos and Carlisle, acting reasonably, all subject to adjustment in accordance with the terms of the warrant indenture;

“**Alamos Share Options**” shall have the meaning ascribed thereto in Section 2.3(b);

“**Alamos Shares**” means the common shares in the capital of Alamos;

“**Alamos Warrant Options**” shall have the meaning ascribed thereto in Section 2.3(b);

“**Arrangement**” means the arrangement under section 182 of the OBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the Arrangement Agreement or Article 5 hereof or made at the direction of the Court either in the Interim Order or the Final Order with the consent of Alamos and Carlisle, each acting reasonably;

“**Arrangement Agreement**” means the agreement made as of October 15, 2015 between Alamos and Carlisle, as amended, supplemented or restated in accordance therewith prior to the Effective Date, providing for, among other things, the Arrangement;

“**Articles of Arrangement**” means the articles of arrangement of Carlisle in respect of the Arrangement, required by the OBCA to be sent to the Director after the Final Order is made, which shall be in form and substance satisfactory to Alamos and Carlisle, each acting reasonably;



**“Business Day”** means any day, other than a Saturday, a Sunday or a statutory holiday in Toronto, Ontario or New York City, New York;

**“Carlisle”** means Carlisle Goldfields Limited, a company existing under the OBCA;

**“Carlisle Arrangement Resolution”** means the special resolution of the Carlisle Shareholders approving the Plan of Arrangement substantially in the form attached as a Schedule to the Arrangement Agreement;

**“Carlisle Circular”** means the notice of the Carlisle Meeting to be sent to Carlisle Shareholders and the management information circular to be prepared in connection with the Carlisle Meeting, together with any amendments thereto or supplements thereof, and any other information circular or proxy statement which may be prepared in connection with the Carlisle Meeting;

**“Carlisle Meeting”** means the special meeting, including any adjournments or postponements thereof, of the Carlisle Shareholders to be held to consider, among other things, and, if deemed advisable, to approve the Carlisle Arrangement Resolution;

**“Carlisle New Stock Option Plan”** means the directors’, management, employees’ and consultants’ stock option plan approved by the Carlisle Shareholders on July 18, 2011, the terms of which all Carlisle Options granted subsequent to August 12, 2011 are subject;

**“Carlisle Old Stock Option Plan”** means the directors’, management, employees’ and consultants’ stock option plan approved by the Carlisle Shareholders in 2006, the terms of which all Carlisle Options granted on or prior to August 12, 2011 are subject;

**“Carlisle Optionholder”** means a holder of Carlisle Options;

**“Carlisle Options”** means options issued pursuant to, or governed by, either the Carlisle Old Stock Option Plan or the Carlisle New Stock Option Plan, as the case may be;

**“Carlisle Rights Plan”** means the shareholder rights plan agreement between Carlisle and Equity Financial Trust Company dated November 11, 2013, as re-approved, extended and ratified by the Carlisle Shareholders on January 15, 2015;

**“Carlisle Shareholders”** means, at any time, the holders of Carlisle Shares;

**“Carlisle Shares”** means the common shares in the capital of Carlisle;

**“Carlisle Warrants”** means the outstanding common share purchase warrants and finders’ warrants to purchase Carlisle Shares issued by Carlisle;

**“Certificate of Arrangement”** means the certificate of arrangement giving effect to the Arrangement, issued pursuant to subsection 183(2) of the OBCA after the Articles of Arrangement have been filed;

**“Consideration”** means, for each Carlisle Share, 0.0942 of one Alamos Share and 0.0942 of one Alamos Arrangement Warrant;

**“Court”** means the Ontario Superior Court of Justice (Commercial List);

**“Depository”** means the Person appointed by Alamos to act as depository at its offices set out in the Letter of Transmittal;

**“Director”** means the Director appointed pursuant to section 278 of the OBCA;

**“Dissenting Shareholder”** means a holder of Carlisle Shares who dissents in respect of the Carlisle Arrangement Resolution in strict compliance with Section 3.1;

**“Effective Date”** means the date upon which the Arrangement becomes effective as established by the date shown on the Certificate of Arrangement;

**“Effective Time”** means 12:01 a.m. (Toronto Time) on the Effective Date;

**“Eligible Holder”** means a beneficial owner of Carlisle Shares immediately prior to the Effective Time who is (i) a resident of Canada for purposes of Part I of the Tax Act (other than a Tax Exempt Person), (ii) a person not resident in Canada for purposes of Part I of the Tax Act whose Carlisle Shares constitute “taxable Canadian property” as defined in the Tax Act and who is not exempt from Canadian tax in respect of any gain realized on the disposition of a Carlisle Share by reason of an exemption contained in an applicable income tax treaty or convention, or (iii) a partnership, if one or more members of the partnership are (A) described in (i) or (B) a non-resident of Canada for purposes of the Tax Act and who is not exempt from Canadian tax in respect of any gain realized on the disposition of Carlisle Shares by the partnership by reason of an exemption contained in an applicable income tax treaty or convention;

**“Entitlement Plans”** means all employment and other agreements and benefits and incentive plans to which a Non-Continuing Employee is a party or to which a Non-Continuing Employee is entitled as a Carlisle executive or employee;

**“Entitlements”** means all payments, vesting, consideration and other benefits (including change of control payments or severance) to which Non-Continuing Employees will be entitled pursuant to their Entitlement Plans upon their termination or resignation from Carlisle;

**“Exchange Ratio”** means 0.0942;

**“Final Order”** means the order made after application to the Court approving the Arrangement, as such order may be amended by the Court at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;

**“Interim Order”** means the order made after application to the Court, containing declarations and directions in respect of the notice to be given and the conduct of the

Carlisle Meeting and the Arrangement, as such order may be amended, supplemented or varied by the Court;

**“Letter of Transmittal”** means the Letter of Transmittal for use by Carlisle Shareholders, in the form accompanying the Carlisle Circular;

**“Liens”** means any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, encumbrances and adverse rights or claims, other third person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;

**“Non-Continuing Employees”** means those Persons who were Carlisle executives or employees immediately prior to the Effective Time and who will not be employed or otherwise engaged by Alamos or Carlisle following the Effective Time;

**“OBCA”** means the *Business Corporations Act* (Ontario);

**“Person”** means an individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status;

**“Section 85 Election”** shall have the meaning ascribed thereto in Section 4.8;

**“Tax Act”** means the *Income Tax Act* (Canada), as amended; and

**“Tax Exempt Person”** means a person who is exempt from tax under Part I of the Tax Act.

Any capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Arrangement Agreement.

## **1.2 Sections and Headings**

The division of this Plan of Arrangement into sections and the insertion of headings are for reference purposes only and shall not affect the interpretation of this Plan of Arrangement. Unless otherwise indicated, any reference in this Plan of Arrangement to a section or a schedule refers to the specified section of, or schedule to, this Plan of Arrangement.

## **1.3 Number and Gender**

In this Plan of Arrangement, unless the context otherwise requires, words importing the singular only shall include the plural and *vice versa*, words importing the use of either gender shall include both genders and neuter.

**1.4 Date for any Action**

If the date on which any action is required to be taken hereunder by any Party hereto is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day.

**1.5 Time**

Time shall be of the essence in every matter or action contemplated hereunder. All times expressed herein or in any letter of transmittal contemplated herein are local time (Toronto, Ontario) unless otherwise stipulated herein or therein.

**1.6 Statutory Reference**

Any reference in this Plan of Arrangement to a statute includes all regulations and rules made thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

**1.7 Currency**

Unless otherwise stated, all references in this Plan of Arrangement to amounts of money are expressed in lawful money of Canada.

**ARTICLE 2  
ARRANGEMENT****2.1 Binding Effect**

This Plan of Arrangement is made pursuant to the provisions of the Arrangement Agreement and constitutes an arrangement as referred to in section 182 of the OBCA. The Arrangement will become effective at, and be binding at and after, the Effective Time on: (i) Alamos; (ii) Carlisle; (iii) all holders of Carlisle Shares; (iv) all holders of Carlisle Warrants and Carlisle Options and any security into which they may be converted, exchanged or otherwise converted pursuant to Section 2.3 of this Plan of Arrangement; (v) all Non-Continuing Employees who receive Alamos Shares in settlement of all or part of their Entitlements; and (vi) the Depository.

**2.2 Integrated Transaction**

No portion of this Plan of Arrangement will take effect with respect to any Person until the Effective Time. Further, each of the events listed in Section 2.3 will be, without affecting the timing set out in Section 2.3, mutually conditional, such that no event described in Section 2.3 may occur without all steps occurring, and those events will affect the integrated transaction which constitutes the Arrangement.

## 2.3 Arrangement

Commencing at the Effective Time, the following shall occur and shall be deemed to occur in the following order without any further act or formality:

- (a) The Carlisle Rights Plan shall be cancelled and shall have no further force or effect and each of the rights thereunder, if any, shall be deemed to be cancelled for no consideration.
- (b) Subject to receipt of applicable stock exchange approvals and, if necessary, the terms and conditions of all Carlisle Options owned by each holder of Carlisle Options that are not exercised or terminated immediately prior to the Effective Time shall be amended such that, in lieu of the Carlisle Shares issuable upon exercise thereof:
  - (i) a number of such Carlisle Options (the “**Alamos Share Options**”) shall be exercisable exclusively for such number of Alamos Shares which is equal to the number of Carlisle Shares that were the subject of such Carlisle Options immediately prior to the Effective Time multiplied by the Exchange Ratio at an exercise price per Alamos Share equal to the exercise price of such Carlisle Options immediately prior to the Effective Time divided by the Exchange Ratio; and
  - (ii) the balance of such Carlisle Options (the “**Alamos Warrant Options**”) shall be exercisable exclusively for such number of Alamos Arrangement Warrants which is equal to the number of Carlisle Shares that were the subject of such Carlisle Options immediately prior to the Effective Time multiplied by the Exchange Ratio at an exercise price per Alamos Arrangement Warrant equal to the exercise price of such Carlisle Options immediately prior to the Effective Time divided by the Exchange Ratio.

The number of Carlisle Options described in (i) shall be equal to the proportion of the total number of Carlisle Options owned by such holder of Carlisle Options immediately prior to the Effective Time that the fair market value of an Alamos Share at the Effective Time is of the fair market value of the Consideration at the Effective Time. Following the Effective Time, the Carlisle Options shall have the same term to expiry date (the last day of each respective term being its “expiry date”) and vesting schedule (if any) as those of the corresponding Carlisle Options immediately prior to the Effective Time and shall otherwise be subject to the terms and conditions of the applicable Carlisle Option Plans, except that, subject to applicable stock exchange approval if required, such Carlisle Options shall not expire on termination of office or employment or otherwise in any circumstances prior to their respective expiry dates.

- (c) Each Carlisle Warrant outstanding immediately prior to the Effective Time shall be amended such that, in lieu of the Carlisle Shares issuable upon exercise thereof, the holder of such Carlisle Warrant shall be entitled to acquire that

number of Alamos Shares and Alamos Arrangement Warrants, in each case equal to the product of the Exchange Ratio multiplied by the number of Carlisle Shares subject to such Carlisle Warrant, provided that the total number of Alamos Shares and Alamos Arrangement Warrants issuable pursuant to all such Carlisle Warrants held by a holder shall be rounded down or up to the nearest whole number of Alamos Shares and Alamos Arrangement Warrants in accordance with Section 4.3. Such Carlisle Warrant shall have an exercise price per Carlisle Share equal to the exercise price per Carlisle Share of such Carlisle Warrant immediately prior to the Effective Time divided by the Exchange Ratio. Except, as provided in this Section 2.3(c), the term to expiry, conditions to and manner of exercising and all other terms and conditions of such Carlisle Warrant will be the same as those of such Carlisle Warrant prior to the amendment thereof as described herein, and any document or agreement previously evidencing such Carlisle Warrant shall thereafter evidence and be deemed to evidence such Carlisle Warrant, as amended hereby.

- (d) Each Carlisle Share held by a Dissenting Shareholder entitled to be paid fair value for its Carlisle Shares will be deemed to be transferred by the holder thereof, without any further act or formality on its part, to Alamos and thereupon each Dissenting Shareholder will have only the rights set out in Section 3.1 and each Dissenting Shareholder will cease to be the holder of such Carlisle Shares.
- (e) Each outstanding Carlisle Share (other than those Carlisle Shares acquired from Dissenting Shareholders under Section 2.3(d)) held by a Carlisle Shareholder, other than Alamos, shall, without any further act or formality on its part, be transferred and assigned to Alamos, in exchange for the Consideration.
- (f) With respect to each Carlisle Share transferred and assigned to Alamos in accordance with Section 2.3(e), the holder of such Carlisle Share immediately prior to such transfer and assignment:
  - (i) shall cease to be the holder thereof, the name of such holder shall be removed from the register maintained by or on behalf of Carlisle in respect of the Carlisle Shares, and the name of Alamos shall be added to the register maintained by or on behalf of Carlisle in respect of the Carlisle Shares as the holder of such Carlisle Share;
  - (ii) shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to transfer and assign such Carlisle Share to Alamos; and
  - (iii) shall be added to the registers maintained by or on behalf of Alamos in respect of the Alamos Shares as the holder of the Alamos Shares issued to such holder as Consideration therefor.
- (g) For purposes of the OBCA, the amount added to the stated capital in respect of the Alamos Shares issued to the holders of the Carlisle Shares shall be equal to



the fair market value of the Carlisle Shares in consideration for which such Alamos Shares were issued.

- (h) With respect to each Carlisle Option and Carlisle Warrant amendment in accordance with Section 2.3(b) or Section 2.3(c), as applicable and as necessary, the holder of such Carlisle Option or Carlisle Warrant immediately prior to such amendment shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to amend such Carlisle Option or Carlisle Warrant, as the case may be.
- (i) Alamos Shares shall be issued to Non-Continuing Employees in settlement of all or part of their Entitlements if and as agreed by such Non-Continuing Employees, Carlisle and Alamos and subject to approval of the applicable stock exchanges.

## **2.4 Transfers Free and Clear**

Any transfer of securities pursuant to this Plan of Arrangement shall free and clear of any Liens.

## **2.5 Fully-Paid Shares**

All Alamos Shares issued pursuant to the Plan of Arrangement shall be fully paid and non-assessable and Alamos shall be deemed to have received the full consideration therefor and all non-cash consideration shall have a value that is not less in value than the fair equivalent of the money that Alamos would have received had such Alamos Shares been issued for money.

## **2.6 Articles of Arrangement**

Notwithstanding anything to the contrary in the Arrangement Agreement, this Plan of Arrangement or the OBCA, (i) the articles of arrangement in respect of the Arrangement filed by Carlisle, which articles of arrangement shall be in form and substance satisfactory to Alamos and Carlisle, each acting reasonably, shall be deemed to be the Articles of Arrangement of Carlisle for all purposes, including for purposes of the Arrangement Agreement, this Plan of Arrangement, the Arrangement and the OBCA, and (ii) Alamos shall not be required to file any articles of arrangement to give effect to the Arrangement.

# **ARTICLE 3 RIGHTS OF DISSENT**

## **3.1 Rights of Dissent for Carlisle Shareholders**

Carlisle Shareholders may exercise rights of dissent with respect to the Carlisle Shares pursuant to and in the manner set forth in section 185 of the OBCA and this Section 3.1 in connection with the Carlisle Arrangement Resolution; provided that, notwithstanding subsection 185(6) of the OBCA, the written objection to the Carlisle Arrangement Resolution referred to in subsection 185(6) of the OBCA must be received by Carlisle not

later than 5:00 p.m. (Toronto time) on the Business Day immediately preceding the Carlisle Meeting. Carlisle Shareholders who duly and properly exercise such rights of dissent and who:

- (a) are ultimately entitled to be paid fair value for their Carlisle Shares shall be entitled to be paid by Alamos such fair value and will not be entitled to any other payment or consideration to which such Carlisle Shareholders would have been entitled under the Arrangement had such Carlisle Shareholders not exercised dissent rights in respect of Carlisle Shares; or
- (b) are ultimately not entitled, for any reason, to be paid fair value for their Carlisle Shares shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting holder of Carlisle Shares,

but in no case shall Carlisle or any other Person be required to recognize such Carlisle Shareholders as holders of Carlisle Shares after the Effective Time, and the names of such Carlisle Shareholders shall be removed from the register of holders of Carlisle Shares at the Effective Time.

## **ARTICLE 4**

### **CERTIFICATES AND FRACTIONAL SHARES**

#### **4.1 Issuance of Certificates Representing Alamos Shares and Alamos Arrangement Warrants**

Upon surrender to the Depository for cancellation of a certificate which immediately prior to the Effective Time represented one or more Carlisle Shares that were ultimately exchanged under the Plan of Arrangement into one or more Alamos Shares and one or more Alamos Arrangement Warrants, together with such other documents and instruments as would have been required to effect the transfer of the shares formerly represented by such certificate under the OBCA and the by-laws of Carlisle, and such additional documents and instruments as the Depository may reasonably require, the holder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Depository shall deliver to such holder, (i) a certificate representing that number (rounded down or up to the nearest whole number in accordance with Section 4.3) of Alamos Shares into which such holder's Carlisle Shares were ultimately exchanged (together with any dividends or distributions with respect thereto pursuant to Section 4.2), (ii) a certificate representing that number (rounded down or up to the nearest whole number in accordance with Section 4.3) of Alamos Arrangement Warrants into which such holder's Carlisle Shares were ultimately exchanged, and such holder of Carlisle Shares is entitled under the Arrangement and this Plan of Arrangement, and the certificate so surrendered shall forthwith be cancelled. In the event of a transfer of ownership of Carlisle Shares that is not registered in the transfer records of Carlisle, a certificate representing the proper number of Alamos Shares and Alamos Arrangement Warrants may be issued to the transferee if the certificate representing such Carlisle Shares is presented to the Depository, accompanied by all documents required to evidence and effect such transfer. Until surrendered as contemplated by this Section 4.1,

each certificate which immediately prior to the Effective Time represented Carlisle Shares that were exchanged pursuant to this Plan of Arrangement shall be deemed at all times after the Effective Time to represent only the right to receive upon such surrender (i) the certificates representing Alamos Shares and Alamos Arrangement Warrants as contemplated by this Section 4.1, and (ii) any dividends or distributions with a record date after the Effective Time theretofore paid or payable with respect to Alamos Shares as contemplated by Section 4.2.

#### **4.2 Distributions with Respect to Unsurrendered Certificates**

No dividends or other distributions declared or made after the Effective Time with respect to Alamos Shares with a record date after the Effective Time shall be paid to the holder of any unsurrendered certificate which, immediately prior to the Effective Time, represented outstanding Carlisle Shares, unless and until the holder of record of such certificate shall surrender such certificate in accordance with Section 4.1. Subject to applicable Law, at the time of such surrender of any such certificate, there shall be paid to the holder of record of the certificates representing whole Carlisle Shares, without interest, (i) the amount of dividends or other distributions with a record date after the Effective Time theretofore paid with respect to such whole Alamos Share and (ii) on the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to surrender and a payment date subsequent to surrender payable with respect to such whole Alamos Share.

#### **4.3 No Fractional Shares or Warrants**

No certificates or scrip representing fractional Alamos Shares or fractional Alamos Arrangement Warrants shall be issued upon the surrender for exchange of certificates pursuant to Section 4.1 and no dividend, stock split or other change in the capital structure of Alamos shall relate to any such fractional security and such fractional interests shall not entitle the owner thereof to exercise any rights as a securityholder of Alamos. The number of Alamos Shares and Alamos Arrangement Warrants to be issued to any person pursuant to this Plan of Arrangement shall be rounded to the nearest whole Alamos Share and Alamos Arrangement Warrant, as the case may be. For greater certainty, where such fractional interest is greater than or equal to 0.5, the number of Alamos Shares and Alamos Arrangement Warrants to be issued, as the case may be, will be rounded up to the nearest whole number and where such fractional interest is less than 0.5, the number of Alamos Shares or Alamos Arrangement Warrants to be issued, as the case may be, will be rounded down or up to the nearest whole number. In calculating such fractional interests, all Alamos Shares and Alamos Arrangement Warrants, as the case may be, registered in the name of, or beneficially held by, a holder of Alamos Shares or Alamos Arrangement Warrants, as the case may be, or their respective nominee, shall be aggregated.

#### **4.4 Lost Certificates**

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Carlisle Shares shall have been lost, stolen or destroyed, upon

the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, the Depository will issue in exchange for such lost, stolen or destroyed certificate, one or more certificates representing one or more Alamos Shares (and any dividends or distributions with respect thereto pursuant to Section 4.2) and one or more certificates representing Alamos Arrangement Warrants to which the holder thereof is entitled to under the Arrangement and this Plan of Arrangement deliverable in accordance with such holder's Letter of Transmittal. When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the Person to whom certificates representing Alamos Shares and Alamos Arrangement Warrants are to be issued shall, as a condition precedent to the issuance thereof, give a bond satisfactory to Alamos, Carlisle and the Depository in such sum as Alamos may direct or otherwise indemnify Alamos, Carlisle and the Depository in a manner satisfactory to Alamos, Carlisle and the Depository against any claim that may be made against Alamos, Carlisle and the Depository with respect to the certificate alleged to have been lost, stolen or destroyed.

#### **4.5 Extinction of Rights**

Any certificate which immediately prior to the Effective Time represented outstanding Carlisle Shares and not deposited with all other instruments required by Section 4.1 on or prior to the sixth anniversary of the Effective Date, shall cease to represent a claim or interest of any kind or nature as a securityholder of Alamos. On such date, the Alamos Shares and the Alamos Arrangement Warrants to which the former holder of the certificate referred to in the preceding sentence was ultimately entitled shall be deemed to have been surrendered to Alamos, together with all entitlements to dividends, distributions and interest thereon held for such former registered holder. None of Alamos, Carlisle or the Depository shall be liable to any person in respect of any Alamos Shares (or dividends, distributions and interest in respect thereof) or Alamos Arrangement Warrants delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

#### **4.6 Withholding Rights**

Any Person shall be entitled to deduct or withhold from any dividend or amount otherwise payable to any other Person as contemplated under this Plan of Arrangement or the Arrangement Agreement such amounts as such Person is required or permitted to deduct or withhold with respect to such payment under the Tax Act, the U.S. Tax Code or any provision of provincial, state, local or foreign Tax Law, in each case as amended. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate taxing authority. The Person is hereby authorized to withhold and sell, or otherwise require the other Person to irrevocably direct the sale through a broker and irrevocably direct the broker to pay the proceeds of such sale of, such portion of any share or other security otherwise issuable to the other Person as is necessary to provide sufficient funds to the Person, to enable it to comply with such deduction or withholding requirement and the Person shall notify the other Person and remit the applicable portion of the net proceeds of such sale to the

appropriate taxing authority. Notwithstanding the foregoing, the Person shall not withhold securities where the other Person has made arrangements to satisfy any withholding taxes, in advance, to the satisfaction of the Person.

#### **4.7 Calculations**

All amounts of consideration to be received under this Plan of Arrangement will be calculated to the nearest cent (\$0.01) or to the nearest hundredth of one percent (0.01%), as applicable. All calculations and determinations by Alamos, Carlisle or the Depository, as applicable, for the purposes of this Plan of Arrangement shall be conclusive, final and binding.

#### **4.8 Tax Elections**

An Eligible Holder whose Carlisle Shares are exchanged for Alamos Shares and Alamos Arrangement Warrants pursuant to the Arrangement shall be entitled to make a joint income tax election, pursuant to section 85 of the Tax Act (and any analogous provision of provincial income tax law) (a “**Section 85 Election**”) with respect to the exchange by providing two signed copies of the necessary joint election forms to an appointed representative of Alamos, as directed by Alamos, within 90 days after the Effective Date, duly completed with the details of the number of Alamos Shares and Alamos Arrangement Warrants.

Alamos shall, within 30 days after receiving the completed joint election forms from an Eligible Holder, and subject to such joint election forms being correct and complete and in compliance with requirements imposed under the Tax Act (or applicable provincial income tax law), sign and deliver them for signature for filing by the Eligible Holder with the Canada Revenue Agency (or the applicable provincial tax authority). Neither Alamos or Carlisle nor any successor corporation shall be responsible for the proper completion of any joint election form nor, except for the obligation to sign and file duly completed joint election forms which are received within 90 days of the Effective Date, for any taxes, interest or penalties arising as a result of the failure of an Eligible Holder to properly or timely complete such joint election forms in the form and manner prescribed by the Tax Act (or any applicable provincial legislation). In its sole discretion, Alamos or any successor corporation may choose to sign and file a joint election form received by it more than 90 days following the Effective Date, but will have no obligation to do so.

Upon receipt of the Letter of Transmittal in which an Eligible Holder has indicated that the Eligible Holder intends to make a Section 85 Election, Alamos will promptly deliver a tax instruction letter (and a tax instruction letter for the equivalent provincial election(s), if applicable), together with the relevant tax election forms (including the provincial tax election form(s), if applicable) to the Eligible Holder.

## **ARTICLE 5 AMENDMENTS**

### **5.1 Amendments to Plan of Arrangement**

- (a) Alamos and Carlisle may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must be (i) set out in writing, (ii) approved by Alamos and Carlisle in writing, (iii) filed with the Court and, if made following the Carlisle Meeting, approved by the Court and (iv) communicated to Carlisle Shareholders if and as required by the Court.
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Alamos or Carlisle at any time prior to the Carlisle Meeting (provided that the other Party shall have consented thereto in writing) with or without any other prior notice or communication, and if so proposed and accepted by the Carlisle Shareholders voting at the Carlisle Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Carlisle Meeting shall be effective only if (i) it is consented to in writing by each of Alamos and Carlisle (in each case, acting reasonably), and (ii) if required by the Court, it is consented to by Carlisle Shareholders voting in the manner directed by the Court.
- (d) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by Alamos, provided that it concerns a matter which, in the reasonable opinion of Alamos, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the economic interest of any former holder of Carlisle Shares, Carlisle Options or Carlisle Warrants or their successors or assigns.
- (e) Notwithstanding anything in this Plan of Arrangement or the Arrangement Agreement, Alamos and Carlisle shall be entitled at any time prior to or following the Carlisle Meeting, to modify this Plan of Arrangement with respect to Sections 1.1 and 2.3, provided such modifications are not materially adverse to the financial or economic interests of Carlisle Shareholders or holders of Carlisle Options or Carlisle Warrants entitled to receive the Consideration under Section 2.3.
- (f) This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Arrangement Agreement.



**ARTICLE 6  
FURTHER ASSURANCES**

**6.1 Notwithstanding**

Notwithstanding that the transactions and events set out herein shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the Parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by either of them in order further to document or evidence any of the transactions or events set out herein.

**6.2 Paramountcy**

From and after the Effective Time:

- (a) this Plan of Arrangement shall take precedence and priority over any and all rights related to Carlisle Shares, Carlisle Options or Carlisle Warrants;
- (b) the rights and obligations of the holders of Carlisle Shares, Carlisle Options and Carlisle Warrants and any trustee and transfer agent therefor, shall be solely as provided for in this Plan of Arrangement; and
- (c) all actions, causes of action, claims or proceedings (actual or contingent, and whether or not previously asserted) based on or in any way relating to Carlisle Shares, Carlisle Options and Carlisle Warrants shall be deemed to have been settled, compromised, released and determined without any liability except as set forth herein.

**SCHEDULE B  
FORM OF ARRANGEMENT RESOLUTION**

**BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:**

1. The arrangement (the “**Arrangement**”) under section 182 of the *Business Corporations Act* (Ontario) (the “**OBCA**”) involving Carlisle Goldfields Limited (the “**Company**”), as more particularly described and set forth in the management information circular (the “**Circular**”) of the Company accompanying the notice of this meeting, as the Arrangement may be modified or amended in accordance with its terms, is hereby authorized, approved and adopted.
2. The plan of arrangement (the “**Plan of Arrangement**”) involving the Company, the full text of which is set out as Schedule A to the Arrangement Agreement made as of October 15, 2015 between Alamos Gold Inc. and the Company (the “**Arrangement Agreement**”), as the Plan of Arrangement may be modified or amended in accordance with its terms, is hereby authorized, approved and adopted.
3. The Arrangement Agreement, the actions of the directors of the Company in approving the Arrangement Agreement and the actions of the directors and officers of the Company in executing and delivering the Arrangement Agreement and any amendments thereto in accordance with its terms are hereby ratified and approved.
4. Notwithstanding that this resolution has been passed (and the Plan of Arrangement adopted) by the shareholders of the Company or that the Arrangement has been approved by the Ontario Superior Court of Justice (Commercial List), the directors of the Company are hereby authorized and empowered without further notice to or approval of the shareholders of the Company (i) to amend the Arrangement Agreement or the Plan of Arrangement, to the extent permitted by the Arrangement Agreement or the Plan of Arrangement, and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.
5. Any one director or officer of the Company be and is hereby authorized and directed for and on behalf of the Company to execute, under the corporate seal of the Company or otherwise, and to deliver to the Director under the OBCA for filing articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement and the Plan of Arrangement in accordance with the Arrangement Agreement.
6. Any one director or officer of the Company be and is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed, under the corporate seal of the Company or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person’s opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

**SCHEDULE C**  
**CARLISLE PERMITTED ENCUMBRANCES**

<b>Title of Agreement</b>	<b>Royalty Holder</b>	<b>Applicable Property or Properties</b>	<b>Amount of Payment(s) And Other Encumbrance(s)</b>
Option Agreement between 5918147 Manitoba Inc. (now known as Carlisle) and Peter C. Dunlop dated October 21, 2009 as amended	Peter C. Dunlop	Last Hope	<ul style="list-style-type: none"> <li>• 2.5% NSR Royalty</li> <li>• Option Agreement (s. 3.2) permits the payor to pay CAD\$1.25M and reduce the NSR royalty by half to 1.25%</li> <li>• Cash – remaining payments:</li> <li>• \$100,000 by Dec 31/14</li> <li>• \$2,000,000 of exploration expenditures (partially completed)</li> </ul>
Royalty Agreement between 5918147 Manitoba Inc. (now known as Carlisle) and Peter C. Dunlop (“ <b>Dunlop</b> ”) pursuant to an option agreement dated October 21, 2009	Peter C. Dunlop	Last Hope	<ul style="list-style-type: none"> <li>• 2.5% NSR Royalty (s. 2).<sup>1</sup></li> <li>• Option Agreement (s. 3.2) permits the payor to pay CAD\$1.25M and reduce the NSR royalty by half to 1.25%</li> <li>• Royalty is secured in the claims to run with the land but will be postponed to charges for construction and production financing(s.11)</li> </ul>
NSR Royalty Agreement between AMPX Corporation (now known as Carlisle) and Glencairn Gold Corporation <sup>2</sup> (“ <b>Glencairn</b> ”) dated December 31, 2005	B2Gold Corp.	<p>Bruichladdich MacLellan Ardbeg Dunvegan Snake-Wilmot Linkwood Oban Burnt Timber Shoe-Lace Cartwright-Bonanza Shear East Farley Lake</p> <p>The Dunvegan property (also known as Nail-Franklin) is described in the 2005 purchase agreement with Glencairn to be held 78.03% by Carlisle and 21.97% by Breakwater Resources Ltd.</p>	<ul style="list-style-type: none"> <li>• 2% NSR Royalty (s. 1) subject to adjustment as described below.</li> <li>• The NSR Royalty is reduced: <ul style="list-style-type: none"> <li>(a) by payment of any Underlying Royalties (<i>see below</i> **), and</li> <li>(b) to 1% if the price of gold falls below US\$300 per ounce (s. 3).</li> </ul> </li> <li>• Carlisle has a 30-day right of first refusal on any sale of the NSR Royalty (s. 5).</li> </ul> <p>** Underlying Royalties include the following:</p> <ul style="list-style-type: none"> <li>(i) 2% modified NSR Royalty payable to Breakwater Resources Ltd.<sup>4</sup> (“<b>Breakwater</b>”) on the Bruichladdich and Ardbeg mining leases and Dunvegan mining leases.</li> <li>(ii) Sliding scale NSR Royalty payable to Trans America Industries Ltd.<sup>5</sup> (“<b>Trans America</b>”) on Burnt Timber, Linkwood and Oban properties.</li> <li>(iii) Payment to Thompson Bros of an annual royalty calculated on the basis</li> </ul>

<sup>1</sup> This NSR Royalty is effective on exercising the Last Hope option – when Carlisle becomes the beneficial owner of the claims.

<sup>2</sup> On November 29, 2007 Glencairn changed its name to Central Sun Mining Inc. (“**Central Sun**”) and on March 25, 2009 Central Sun merged with a subsidiary of B2Gold Corp. (“**B2Gold**”) by plan of arrangement and the amalgamated entity is now operating as B2Gold.

Title of Agreement	Royalty Holder	Applicable Property or Properties	Amount of Payment(s) And Other Encumbrance(s)
		The Shoe-Lace <sup>3</sup> property is described in the 2005 purchase agreement with Glencairn to be held 50.31% by Carlisle and 49.69% by Hudson Bay Mining and Smelting	of 10% of the Net Proceeds of Commercial Production on the Cartwright-Bonanza property.
Option and NSR Royalty Agreement between Mingold Resources Inc. (“Mingold”) and Granduc Mining Corporation <sup>6</sup> (“Granduc”) dated May 8, 1996	Mingold Resources Inc. <sup>7</sup>	Farley Lake	<ul style="list-style-type: none"> <li>• Mingold is entitled to receive from Granduc (Carlisle is a successor-in-title to Granduc – <i>see footnote 6 below</i>) a royalty equal to 0.6725% of the Net Smelter Return from the sale of all Products from the Property until such time as Granduc has recovered an amount equal to the total of all Preproduction Capital Costs<sup>8</sup> incurred by Granduc and Golden Band in respect of the Property. After such time as Granduc has recovered the total Preproduction Capital Costs, Mingold shall be entitled to receive from Granduc a royalty equal to 1.12% of the Net Smelter Return from sale of Products from the Property. (s.4.1)</li> <li>• Mingold’s entitlement to a portion of the Net Smelter Return shall cease upon receipt by Mingold of Net Smelter Return payments totalling \$3,000,000, adjusted to reflect changes in the Consumer Price Index from May 1, 1992 to the date of each such payment (s. 4.1).</li> <li>• Royalty binds title to the 44.5338% interest in the property and forms an encumbrance in priority to all other encumbrances (s.4.1)</li> </ul>

<sup>4</sup> Effective on August 31, 2011, Breakwater was acquired by Nyrstar NV by way of a take-over bid by its subsidiary Nyrstar Canada Resources Ltd.

<sup>5</sup> Effective August 1, 2008, Trans America amalgamated with 1322256 Alberta Ltd. and the amalgamated company became known as Primary Corp. On July 5, 2012 Primary Corp. changed its name to Marret Resource Corp.

<sup>3</sup> Consent of Hudson Bay Exploration and Development Company Limited appears to be required for a transfer of the claims (based on a consent received in respect of the purchase by Carlisle on December 31, 2005). Carlisle does not appear to have a copy of a joint venture or other agreement with Hudson Bay.

<sup>6</sup> On July 1, 1996, Granduc amalgamated with a wholly owned subsidiary of Black Hawk Mining Inc. On October 21, 2003, Black Hawk completed a business combination with Glencairn and the combined entity continued as Glencairn (which then became B2Gold (see footnote 2 above).

<sup>7</sup> Mingold was dissolved under the CBCA effective 19/12/2013.

<sup>8</sup> “**Production Capital Costs**” is defined as the costs of a capital nature incurred by Granduc and Golden Band (and, arguably, their respective successors and assigns – s. 6.2) between May 8, 1992 and the date the Property is placed in Commercial Production in respect of the exploration and development of the Property including Granduc’s share of the cost of constructing and equipping any mine, mill or plant on the Property but specifically excluding all taxes and other governmental fees, management fees, interest, carrying costs and depreciation.

Title of Agreement	Royalty Holder	Applicable Property or Properties	Amount of Payment(s) And Other Encumbrance(s)
Royalty Agreement between Manitoba Mineral Resources Ltd. (“MMR”) and Granduc dated January 6, 1995	Manitoba Mineral Resources Ltd.	Farley Lake	<p>It appears as though Granduc paid MMR a \$1,000,000 Advance Royalty on or before January 6, 1995. Carlisle should be the beneficiary of this payment and such payment should be deductible against Carlisle’s royalty obligations.</p> <p>Carlisle appears to be a successor-in-title to Granduc – <i>see footnote 6 above</i>.</p> <p>(I) The amount of the Gold Royalty payable by Granduc to MMR shall be determined as follows:</p> <p>(a) as to the first 100,000 oz. of gold recovered:</p> <p>(i) 3.0% of the Gold Returns<sup>9</sup> when the average Gold Price for the month of production is less than US\$400 per ounce, multiplied by the CPI Annual Adjustment<sup>10</sup>;</p> <p>(ii) 4.0% of the Gold Returns when the average Gold Price for the month of production is US\$400 per ounce or greater, but less than US\$500 per ounce, both multiplied by the CPI Annual Adjustment; and</p> <p>(iii) 5.0% of the Gold Returns when the average Gold Price for the month of production is US\$500 per ounce, or greater multiplied by the CPI Annual Adjustment (s. 4).</p> <p>(b) as to gold recovered in excess of 100,000 oz.:</p> <p>(i) 3.0% of the Gold Returns when the average Gold Price for the month of production is less than US\$425 per ounce, multiplied by the CPI Annual Adjustment;</p> <p>(ii) 4.0% of the Gold Returns when the average Gold Price for the month of production is US\$425 per ounce or greater, but less than US\$625 per ounce, both multiplied by the CPI Annual Adjustment; and</p> <p>(iii) 5.0% of the Gold Returns when the average Gold Price for the month of production is US\$625 per ounce or</p>

<sup>9</sup> “**Gold Returns**” is defined as the actual proceeds received from the sale of all Bullion derived, or deemed to be derived, from the Ore after deducting from such proceeds the following charges to the extent that they were not deducted by the purchaser in computing payment: refining charges; penalties; assay costs; costs of freight and handling Bullion from Lynn Lake to the purchaser including costs of insurance; and all taxes, federal or provincial, including, without limitation, the goods and services tax, which are or may be attributable to or based upon sales or production but not including income tax.

<sup>10</sup> “**CPI Annual Adjustment**” is defined as the CPI (which is defined as the All Items Canadian Consumer Price Index as published in the Bank of Canada Review) for the month of December of the preceding year divided by the Base CPI. “**Base CPI**” means the CPI for the month of December, 1993.

Title of Agreement	Royalty Holder	Applicable Property or Properties	Amount of Payment(s) And Other Encumbrance(s)
			<p>greater, multiplied by the CPI Annual Adjustment (s. 4)</p> <p>(II) 1% of the Gold Returns (s. 5) after MMR has received an aggregate of CAD\$7,000,000 (based upon December 1993 dollars and adjusted for changes in the CPI since that date) in Gold Royalty payments,</p> <p>(III) For a period of one hundred and eighty (180) days following the payment of the aggregate CAD\$7,000,000 (based upon December 1993 dollars and adjusted for changes in the CPI since that date), Granduc shall have the right to purchase the Gold Royalty from MMR for the product of CAD\$1,000,000 multiplied by the CPI Monthly Adjustment<sup>11</sup> for the month in which payment of said purchase price is paid (s. 6).</p> <p>(IV) The amount of the <u>Base Metal Royalty</u> payable by Granduc to MMR as provided for in this Agreement shall be determined as follows:</p> <p>(a) 5.0% of Net Smelter Returns until MMR has received CAD\$2,500,000 (based upon December 1993 dollars and adjusted for changes in the CPI since that date) of Net Smelter Returns payments; and</p> <p>(b) thereafter 3.0% of Net Smelter Returns (s. 7).</p> <ul style="list-style-type: none"> <li>• MMR has a fixed and specific mortgage and charge on Granduc's interest in the property and its interest in the joint venture (s.12)</li> </ul>
Wasekwan Properties Option Agreement among Trans America Industries Ltd., Boron Chemicals International Ltd. <sup>12</sup> , Cazador Explorations Limited <sup>13</sup> (" <b>Cazador</b> ") and DCC Equities Limited dated October 1, 1992	Marret Resource Corp.	Burnt Timber Linkwood Oban	<p>(I) Cazador will pay to Trans America a royalty with respect to the BT Claims calculated and determined as follows:</p> <p>(a) as to the first 100,000 ounces of gold produced from the BT Claims including the Mill Retained Ounces<sup>14</sup>:</p> <p>(i) 3.0% of Net Smelter Returns and the value of the Mill Retained Ounces where the gold price of Products sold, or in the case of Mill Retained Ounces the average LME gold price for the applicable quarter, is less than</p>

<sup>11</sup> "**CPI Monthly Adjustment**" is defined as the CPI for the relevant month divided by the Base CPI (*see definition of Base CPI in footnote 9*).

<sup>12</sup> On July 30, 1997 Boron Chemicals International Ltd. changed its name to Atacama Minerals Corp. On January 30, 2012, the company changed its name to Sirocco Mining Inc.

<sup>13</sup> In 1993 Cazador amalgamated with Granduc to form Granduc Mining Corporation (currently B2Gold - *see footnotes 2 and 6*).

<sup>14</sup> "**Mill Retained Ounces**" is defined as gold produced from the Property which will be caught-up and retained in the mill facility as a consequence of milling operations. The actual number of Mill Retained Ounces will be determined substantially in accordance with the procedure set out and described in Schedule B. For the purpose of calculating the BT Royalty and the Wasekwan Belt Royalty, Mill Retained Ounces will be deemed to be sold quarterly at the average LME price of gold for that quarter.



Title of Agreement	Royalty Holder	Applicable Property or Properties	Amount of Payment(s) And Other Encumbrance(s)
			<p>US\$400 per ounce;</p> <p>(ii) 4.0% of Net Smelter Returns and the value of the Mill Retained Ounces where the gold price of Products sold, or in the case of Mill Retained Ounces the average LME gold price for the applicable quarter, is US\$400 per ounce or greater, but less than US\$500 per ounce; and,</p> <p>(iii) 5.0% of Net Smelter Returns and the value of the Mill Retained Ounces where the gold price of Products sold, or in the case of Mill Retained Ounces the average LME gold price for the applicable quarter, is US\$500 per ounce or greater (s. 12.1).</p> <p>(b) in respect of gold production from the BT Claims over 100,000 ounces:</p> <p>(i) 3.0% of Net Smelter Returns and the value of the Mill Retained Ounces where the gold price of Products sold is less than U.S.\$425 per ounce;</p> <p>(ii) 4.0% of Net Smelter Returns and the value of the Mill Retained Ounces where the gold price of Products sold is US\$425 per ounce or greater, but less than US\$625 per ounce; and,</p> <p>(iii) 5.0% of Net Smelter Returns and the value of the Mill Retained Ounces where the gold price of Products sold is US\$625 per ounce or greater (s. 12.1).</p> <p>(c) in respect of mineral production other than gold from the BT Claims, 5.0% of Net Smelter Returns until Trans America has received CAD\$2,500,000 in royalty payments; and thereafter 3.0% of Net Smelter Returns (s. 12.1).</p> <p>The payments to Trans America pursuant to paragraphs 4.1(c) (\$500,000) and 4.1(d) (\$500,000) pursuant to the option agreement will be deductible by Cazador from the BT Royalty<sup>15</sup> (s. 12.2).</p> <p>(II) Cazador will pay to Trans America with respect to the Linkwood and Oban Claims a percentage of Net Smelter Returns and the Mill Retained Ounces calculated and determined as follows, namely:</p> <p>(a) in respect of gold production from the Linkwood and Oban Claims:</p>

<sup>15</sup> “**BT Royalty**” means that percentage of Net Smelter Returns and the Mill Retained Ounces payable to Trans America with respect to the BT Claims.

Title of Agreement	Royalty Holder	Applicable Property or Properties	Amount of Payment(s) And Other Encumbrance(s)
			<p>(i) 3.0% of Net Smelter Returns and the value of the Mill Retained Ounces where the gold price of Products sold is less than US\$425 per ounce;</p> <p>(ii) 4.0% of Net Smelter Returns and the value of the Mill Retained Ounces where the gold price of Products sold is US\$425 per ounce or greater, but less than US\$625 per ounce; and,</p> <p>(iii) 5.0% of Net Smelter Returns and the value of the Mill Retained Ounces where the gold price of Products sold is US\$625 per ounce or greater, until Trans America receives CAD\$3,000,000 in royalty payments at which time the Net Smelter Returns royalty is reduced to 1.0% (s. 12.3);</p> <p>(b) in respect of mineral production other than gold from the Linkwood and Oban Claims, 5.0% of Net Smelter Returns until Trans America has received \$2,500,000 in royalty payments at which time the Net Smelter Returns royalty is reduced to 3.0% (s. 12.3).</p> <p>For any sale the royalty thresholds will be subject to adjustment, in accordance with Canadian CPI, on January 1st of each year. The adjustment will be in proportion to the Canadian CPI at December 31st of the preceding year divided by a base Canadian CPI as at December 31, 1991 (s. 12.4).</p> <p>Cazador will have the right at any time after Trans America has received CAD\$3,000,000 in royalty payments for gold production from the Linkwood and Oban Claims to purchase the resulting 1.0% residual royalty on gold production from the Linkwood and Oban Claims for CAD\$1,000,000 (subject to CPI adjustments from December 31, 1991) (s. 12.5). The agreement does not provide Cazador with a similar buy-out right in respect of the BT Claims.</p> <ul style="list-style-type: none"> <li>• Cazador has a 30-day right of first refusal on any sale of the royalty by Trans America (s. 14.4).</li> </ul>

Title of Agreement	Royalty Holder	Applicable Property or Properties	Amount of Payment(s) And Other Encumbrance(s)
Agreement of Purchase and Sale between Novamin Resources Inc. <sup>16</sup> (a predecessor of Breakwater, “ <b>Novamin</b> ”) and Sherrgold Inc. dated April 7, 1988 (the “ <b>Novamin/Sherrgold APS</b> ”)	Breakwater Resources Ltd. <sup>16</sup>	Bruichladdich MacLellan	Breakwater through its predecessor Novamin holds royalty and percentage property interests in certain of the properties located in Lynn Lake, Manitoba pursuant to the Novamin/Sherrgold APS. The Acquisition Agreement dated December 31, 2005 states that “all mining leases are subject to a 2% modified net smelter return royalty held by Breakwater as provided for in Schedule “C”. Carlisle does not have a copy of the Novamin/Sherrgold APS.
Option and NSR Royalty Agreement between G.F. Thompson and H.L. Thompson (the “ <b>Optionors</b> ”) and Sherritt Gordon Mines Limited <sup>17</sup> (“ <b>Sherritt</b> ”) dated June 30, 1983	G.F. Thompson and H.L. Thompson	Cartwright-Bonanza	(a) Sherritt shall pay to the Optionors annually within 90 days after year-end a royalty calculated on the basis of 10% of the Net Proceeds of Commercial Production, (hereinafter called the “ <b>Production Royalty</b> ”) (s. 5). (b) Sherritt has a 60 day right of first refusal on any sale of the Production Royalty (s. 6).
Option Agreement dated April 15, 2013	Peter C. Dunlop	Johnson & Johnson	<ul style="list-style-type: none"> <li>• Expiry Date: April 15, 2016</li> <li>• 2.5% NSR Royalty (s. 4.1)</li> <li>• Option Agreement (s. 4.2) permits the payor to pay CAD\$1.25M and reduce the NSR royalty by half to 1.25%</li> <li>• Cash – remaining payments (up to half may be paid in stock) <ul style="list-style-type: none"> <li>• \$100,000 by Dec 31/14</li> <li>• \$100,000 by Apr 15/15</li> </ul> </li> <li>• \$1,000,000 of Exploration</li> </ul>
Royalty Agreement <sup>18</sup> (circulated before signing of Option Agreement but not attached thereto)	Peter C. Dunlop	Johnson & Johnson	<ul style="list-style-type: none"> <li>• 2.5% NSR Royalty (s. 4.1)</li> <li>• Option Agreement (s. 4.2) permits the payor to pay CAD\$1.25M and reduce the NSR royalty by half to 1.25%</li> <li>• Royalty is secured in the claims to run with the land but will be postponed to charges for construction and production financing (s.11)</li> </ul>

<sup>16</sup> In 1989 Novamin Resources Inc. was acquired by Breakwater Resources Ltd. which was acquired in 2011 by Nyrstar NV.

<sup>17</sup> In 1993 Sherritt Gordon Mines Limited changed its name to Sherritt Inc. In 1995 the company became a division and/or a subsidiary of Sherritt International Corporation.

<sup>18</sup> This royalty is effective on exercising the Johnson & Johnson Option – when Carlisle becomes the beneficial owner of the claims.