

SETTLEMENT AGREEMENT

This Settlement Agreement (this “Agreement”) is made and entered into as of February 5, 2019, by and among the following “Parties”: (a) Republic Trans Mexico Metals, S.R.L., as a debtor and debtor in possession (“RTMM”), and Republic Metals Refining Corporation, on behalf of itself and its affiliated debtors and debtors in possession (each, a “Debtor” and collectively, the “Debtors”); (b) Alamos Gold Inc. and its subsidiaries, Minas de Oro Nacional, S.A. de C.V. (“MON”) and Minera Santa Rita S. de R.L. de C.V. (“MSR”) (collectively, “Alamos”); and (c) Coöperatieve Rabobank U.A., New York Branch, Brown Brothers Harriman & Co., Bank Hapoalim B.M., Mitsubishi International Corporation, ICBC Standard Bank PLC, Techemet Metal Trading LLC, Woodforest National Bank and Bank Leumi USA (collectively, the “Senior Lenders”).

RECITALS

WHEREAS, on November 2, 2018 (the “Petition Date”), certain Debtors commenced chapter 11 cases under title 11 of the United States Code (the “Bankruptcy Code”) that are presently pending in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) jointly administered as case No. 18-13359.

WHEREAS, each of the Senior Lenders is party to a credit agreement, master netting agreement or lease agreement with the Debtors entered into prior to the Petition Date (each, a “Credit and Lease Agreement”).

WHEREAS, the Debtors and the Senior Lenders assert that the obligations under the Credit and Lease Agreements are secured by valid and perfected liens on substantially all of the Debtors’ assets (the “Prepetition Liens”), including the Debtors’ inventory and the Debtors’ cash.

WHEREAS, on the Petition Date, the Debtors filed the *Motion For Entry of Interim and Final Orders (I) Authorizing the Debtors to Use Cash Collateral, (II) Granting Adequate Protection to the Secured Parties, (III) Scheduling a Final Hearing and (IV) Granting Related Relief* (the “Initial Cash Collateral Motion”) [Docket No. 10].

WHEREAS, on November 13, 2018, the Debtors and the Senior Lenders filed the *Joint Supplement of the Debtors and the Senior Lenders to the Cash Collateral Motion* (together with the Initial Cash Collateral Motion, the “Cash Collateral Motion”) [Docket No. 78].

WHEREAS, on November 19, 2018, Alamos filed the *Notice of Reclamation Demand* [Docket No. 116] (the “Notice of Reclamation”); on November 20, 2018, Alamos filed a Limited Objection to the Cash Collateral Motion [Docket No. 121] (the “Cash Collateral Objection”); and on November 29, 2018, Alamos filed the *Affidavit of Grace Tang* related to the Cash Collateral Objection [Docket No. 228].

WHEREAS, the Bankruptcy Court has entered four interim cash collateral orders [Docket Nos. 54, 277, 372 and 538] (collectively, the “Interim Cash Collateral Orders”). Pursuant to the Interim Cash Collateral Orders, among other things, the Senior Lenders consented to the Debtors’ use of their cash collateral to fund the costs and expenses of administering the chapter 11 cases, and the Senior Lenders were granted superpriority claims and adequate protection liens on

substantially all of the Debtors' assets (the "Adequate Protection Liens") to protect against any diminution in value of their prepetition collateral.

WHEREAS, the Interim Cash Collateral Orders also provided that nothing therein prejudiced the rights of any Customer Counterparty to a Refining or Purchase Agreement (as such terms are defined in the Interim Cash Collateral Orders) to challenge whether any Disputed Property constitutes property of the Debtors or their estate, constitutes Prepetition Collateral subject to Prepetition Liens or constitutes Adequate Protection Collateral Subject to Adequate Protection Liens (each capitalized term in this clause has the meaning ascribed to such term as defined in the Interim Cash Collateral Orders) and that all such rights were preserved.

WHEREAS, Alamos and Debtor, Republic Metals Corporation ("RMC"), are parties to a certain carbon purchase contract dated on or about December 5, 2016 (as amended, restated, supplemented, or otherwise modified, the "Carbon Purchase Contract"). Alamos contends that the Carbon Purchase Contract governs the sale of the carbon fines which are the subject of this settlement. The Debtors dispute this contention and reserve all rights to contend that the sale of the carbons which are the subject of the proposed settlement was between Alamos and Republic Trans Mexico Metals, S.R.L. ("RTMM") and is governed by terms provided to Alamos in November 2017. Alamos disputes the Debtors contention and reserves all rights to contend otherwise.

WHEREAS, Alamos contends that the Carbon Purchase Contract expressly states that (i) title of the carbon remains with Alamos until provisional assays/weights (the estimated gold and silver to be processed from the carbon) are agreed upon and provisional payment of 80% of the agreed market price is paid by or on behalf of buyer to Alamos and (ii) provisional payment of 80% is to be paid after the mutually agreed assay of the metals.

WHEREAS, the Parties acknowledge and agree that the Debtors are currently in possession of eight containers of carbon which were received from Alamos from the period of September 6, 2018 through and including November 12, 2018 (collectively, "Disputed Containers")¹.

WHEREAS, the Parties acknowledge and agree that Disputed Containers Nos. GSTU7531030 and CLHU4750659 (collectively, the "Partially Paid Containers") have been priced based on the provisional assays, MON invoiced RTMM in the form of a "factura" on September 28, 2018, and that partial payment to MON (less service charges) was made by RTMM to Alamos in the amount of \$792,200 on September 28, 2018 (the "Carbon Payment") and that the remaining final payments based on final assay reports have not been paid to Alamos.

WHEREAS, the Parties acknowledge and agree that the Disputed Containers other than the Partially Paid Containers (collectively, the "Unpaid Containers") have not been agreed on as to provisional assays/weight, remain separately identifiable and not commingled, and that no provisional payment to Alamos has been made pursuant to the Carbon Purchase Contract.

¹ The containers are numbered as GSTU7531030; CLHU4750659; MSCU5817999, MSCU4838615, TRLU4873860, TTNU4253221, MSCU8481341, and CARU9773801.

WHEREAS, Alamos contends that MSR, a subsidiary of Alamos Gold Inc., and RMC are parties to a certain agreement for the refining of precious metals dated on or about July 12, 2016 (as amended, restated, supplemented, or otherwise modified, the “Refining Agreement”).

WHEREAS, Alamos asserts that it made a shipment of doré (the “301 Doré Shipment”) to RMC pursuant to the Refining Agreement that arrived at the Debtors’ facility on or about August 21, 2018 and agreed on final assay on October 3, 2018 and that it made prior shipments of doré (collectively with the 301 Doré Shipment, the “Doré Shipments”) to RMC pursuant to the Refining Agreement prior to the Petition Date.

WHEREAS, Alamos asserts that, prior to the Petition Date, Alamos directed the Debtors to transfer metals from the refined Doré Shipments to certain customers of Alamos and that some metals from the 301 Doré Shipment remained in the Debtors’ facility as of the Petition Date.

WHEREAS, Alamos asserts that it retains title to the Disputed Containers and Doré Shipments and that such materials and the product and proceeds thereof are not property of the Debtors’ or their estates, are not inventory of the Debtors or their estates and are not collateral for and subject to the Prepetition Liens and Adequate Protection Liens of the Senior Lenders.

WHEREAS, the Debtors and the Senior Lenders assert that the Debtors have title to the Disputed Containers and Doré Shipments and that such materials are property of the Debtors’ estates and are subject to the Prepetition Liens and Adequate Protection Liens of the Senior Lenders.

WHEREAS, on January 11, 2019 the Bankruptcy Court entered the *Order Approving Uniform Procedures for Resolution of Ownership Disputes* (collectively, the “541 Procedures”) [Docket 395] approving uniform procedures to resolve disputes concerning whether certain materials are property of the Debtors’ estates or that of the Debtors’ customers.

WHEREAS, ownership disputes regarding carbon materials (including the Disputed Containers) are explicitly excluded from the 541 Procedures.

WHEREAS, absent approval of this Agreement, the Parties intend to litigate the ownership of the Disputed Containers.

WHEREAS, to avoid the expense and uncertainty of protracted litigation, the Parties desire to settle their disputes concerning the Disputed Containers according to the terms of this Agreement.

WHEREAS, this Agreement does not settle any disputes not specifically resolved herein including without limitation, any disputes concerning the Refining Agreement, Doré Shipments, the identity of the agreement governing the sale of the carbons which are the subject of this settlement and/or avoidance actions pursuant to chapter five of the Bankruptcy Code, and the parties expressly preserves all their rights, claims and defenses thereto.

AGREEMENT

NOW, THEREFORE, after good faith, arms' length negotiations without collusion, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to the following terms:

1. The foregoing recitals are true and correct.
2. Effective Date. This Agreement is conditioned upon occurrence of the "Effective Date," which means the first date by which each of the following conditions has occurred: (a) this Agreement is executed by or on behalf of each of the Parties; and (b) the Bankruptcy Court enters an order approving this Agreement in a form acceptable to the Parties, provided that such order has not been stayed. Within two (2) business days following execution of this Agreement, the Debtors shall file a motion with the Bankruptcy Court requesting (on shortened notice) approval of this Agreement pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure.
3. Treatment of Disputed Containers. Promptly following the Effective Date:
 - (a) the Debtors and the Senior Lenders shall disclaim any interest in the Unpaid Containers, shall allow Alamos or its representative to pick up and ship the Unpaid Containers at Alamos' sole cost and expense and shall timely cooperate with Alamos and/or its representative for the transfer of the Unpaid Containers away from the Debtors; and
 - (b) Alamos shall disclaim any interest in the Partially Paid Containers subject to Section 4 hereof and the Debtors shall be free to process the Partially Paid Containers in the ordinary course of business, including by shipment to third party processors, and the proceeds thereof shall be deposited in an account maintained with one of the Senior Lenders pending further order of the Bankruptcy Court.
3. General Unsecured Claim. Upon the Effective Date, Alamos shall have an undisputed allowed general unsecured claim against RMC in the amount of \$301,764.23 (the "Allowed Claim") based on the LBMA PM fix gold and silver prices on November 2, 2018 on account of the unpaid portion of the Partially Paid Containers. Alamos shall not be required to file a proof of claim for the Allowed Claim. The Debtors shall instruct their claims agent Donlin Recano & Company, Inc. to enter the Allowed Claim in the claims register.
4. Cash Collateral Objection; Notice of Reclamation. Upon the Effective Date, the Cash Collateral Objection and Notice of Reclamation shall be deemed withdrawn with prejudice solely with respect to the Carbon Agreement and the Disputed Containers.
5. Limited Mutual Releases.
 - (a) Upon the Effective Date, RTMM, RTMM's estate and each Senior Lender, each on behalf of itself, its respective successors and assigns, employees, directors, officers, members, agents, advisors or counsel (each in their capacity as such) (collectively, the "Debtor/Lender Entities"), hereby irrevocably waives, releases and discharges all claims, obligations, suits, judgments, remedies, damages, demands, debts, rights, causes of action, and

liabilities that the Debtor/Lender Entities have, may have or are entitled to assert, whether known or unknown, liquidated or unliquidated, fixed or contingent, foreseen or unforeseen, matured or unmatured, in law, equity, or otherwise (each, a “Claim”) against Alamos Gold Inc. and its subsidiaries, Minas de Oro Nacional, S.A. de C.V. and Minera Santa Rita S. de R.L. de C.V, and each of their employees, directors, officers, members, agents, advisors and counsel (each in their capacity as such) (collectively, the “Alamos Entities”), based in whole or in part upon any act or omission, transaction, or occurrence solely with respect to the ownership and disposition of the Disputed Containers and the Credit and Lease Documents, except for (i) Claims relating to any breach of the obligations arising under and pursuant to this Agreement, (ii) Claims arising under or relating to the Doré Shipments and the Refining Agreement, provided that all Parties reserve all rights and defenses with respect thereto and (iii) Claims available to RTMM and its respective estate arising under chapter 5 of title 11 of the Bankruptcy Code (“Chapter 5 Claims”).

(b) Upon the Effective Date, Alamos Gold Inc. and its subsidiaries, Minas de Oro Nacional, S.A. de C.V. and Minera Santa Rita S. de R.L. de C.V, hereby irrevocably waive, release and discharge all Claims against each Debtor/Lender Entity, including without limiting the generality of the foregoing, all challenges to the validity, perfection, priority, extent or enforceability of prepetition liens and/or obligations of the Senior Lenders, based in whole or in part upon any act or omission, transaction, or occurrence solely with respect to the ownership and disposition of the Disputed Containers and the Credit and Lease Documents and the Cash Collateral Motion, except for (i) Claims relating to any breach of the obligations arising under and pursuant to this Agreement; (ii) Claims arising under or relating to (x) the Doré Shipments and the Refining Agreement and (y) the Credit and Lease Documents and the Cash Collateral Motion with respect to the Doré Shipments and the Refining Agreement, provided that all Parties reserve all rights and defenses with respect to the foregoing in this clause (ii); (iii) the Allowed Claim and (iv) all rights and defenses to any Chapter 5 Claims.

(c) Upon the Effective Date, Alamos Gold Inc. and its subsidiaries, Minas de Oro Nacional, S.A. de C.V. and Minera Santa Rita S. de R.L. de C.V Alamos, hereby irrevocably waive, release and discharge all rights under Mexican law, including, without limitation, the Mexican Federal Criminal Code (Código Penal Federal) and the Criminal Code for the Federal District (Código Penal para el Distrito Federal (currently, Ciudad de México)), to commence criminal proceedings against RTMM and/or its authorized representatives in Mexico. The parties acknowledge that this release is subject to review and approval by Debtors' Mexican counsel which is a condition precedent to this settlement.

6. Reservation of Rights. Nothing in this Agreement shall prejudice (i) any Party’s rights against, or other dealings with, any non-Party other than any Debtor/Lender Entity or Alamos Entity not party hereto to the extent provided in Section 5 above; (ii) the right of Alamos to file a proof of claim for any amounts owing other than the unpaid portion of the Partially Paid Containers as set forth in the Allowed Claim; (iii) any Party’s rights or defenses in connection with any Chapter 5 Claims and (iv) the Debtors' right to contend that the sale of the carbon which are the subject of this settlement was not pursuant to the Carbon Purchase Agreement and Alamo’s right to object to such contention and to contend that the sale of such carbon was not pursuant to any other agreement.

7. Remaining Asset Sale Motion. Upon the entry of an order by the Bankruptcy Court granting the Debtors' motion to approve this settlement agreement, the Debtor shall remove from the assets it intends to sell pursuant to the Motion to Sell Remaining Assets of the Estate Free and Clear of Liens Under Section 363(f) filed on January 31, 2019 [Docket 551] ("Sale Motion"), the Unpaid Containers and the order on the Sale Motion shall provide that the Unpaid Containers are excluded from the sale.

8. Continuing Bankruptcy Court Jurisdiction. Each Party agrees that the Bankruptcy Court shall have exclusive jurisdiction over any disputes regarding the validity, interpretation, or performance of this Agreement so long as the Bankruptcy Cases are pending, and each of the Parties consents to personal jurisdiction and venue in the Bankruptcy Court in connection with any such disputes; provided, however, that if the Bankruptcy Cases are no longer pending, or if the Bankruptcy Court cannot or does not exercise jurisdiction, such jurisdiction and venue shall belong to the federal courts in the Southern District of New York.

9. Voluntary Agreement. Each Party acknowledges that it has read all of the terms of this Agreement, has had an opportunity to consult with counsel of its own choosing, or has voluntarily waived such right and enters into this Agreement voluntarily and without duress.

10. Further Assurances. Each Party agrees, without further consideration, to execute and deliver such other documents and to take such other action as may be necessary to consummate the purposes of this Agreement.

11. No Admission. This Agreement is for settlement purposes only and shall not be construed or deemed an admission by any Party to this Agreement of wrongdoing, liability, fault, or the validity or amount of any claims, other than the Allowed Claim.

12. Valid Provisions Remain Effective. If any provision in this Agreement shall be invalid, inoperative or unenforceable, the remaining provisions of this Agreement shall remain in effect if both the economic and legal substance of the terms contemplated hereby are not materially affected in any manner adverse to any Party, it being understood and agreed that the releases contained in Section 5 above are material provisions of this Agreement and if some portion or all of the releases in Section 5 are determined to be invalid, inoperative or unenforceable, then it would have a material adverse effect on the Party to whom such release was provided. Otherwise, the Parties shall negotiate in good faith to rewrite any such provision so as to, as nearly and fairly as possible, approach the economic and legal substance originally intended.

13. Construction. The language used in this Agreement will be deemed to be the language chosen by the Parties to express their mutual intent, and no rule of strict construction will be applied against any Party. Nor will any rule of construction that favors a non-draftsman be applied. A reference to any statute will be deemed also to refer to all rules and regulations promulgated under the statute, unless the context requires otherwise. Unless specifically otherwise provided or the context otherwise requires, the singular includes the plural and the plural the singular; the word "or" is deemed to include "and/or", the words "including", "includes" and "include" are deemed to be followed by the words "without limitation", and references to sections are to those of this Agreement. Headings in this Agreement are included for convenience of reference only and do not constitute a part of this Agreement for any other purpose.

14. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same Agreement. Delivery of a signature page to this Agreement by facsimile or other electronic means shall be effective as delivery of the original signature page to this Agreement.

15. Applicable Law. The validity, interpretation, and performance of this Agreement shall be construed and interpreted according to the laws of the State of New York, except to the extent that (a) provisions of the Bankruptcy Code apply, in which event the Bankruptcy Code shall control, or (b) applicable federal law preempts state law.

16. Entire Agreement. This document contains the entire Agreement among the Parties as to the matters addressed herein, and may only be modified in writing signed by the Parties or their duly appointed agents. Other than the 541 Procedures, all prior agreements and understandings among the Parties concerning the subject matter hereof are superseded by the terms of this Agreement.

17. Successors and Assigns. This Agreement shall be binding on and inure to the benefit of the Parties and their respective agents, employees, affiliates, successors, and assigns (including any chapter 11 or chapter 7 trustee hereafter appointed or elected for the estates of any of the Debtors, an examiner appointed pursuant to section 1104 of the Bankruptcy Code, or any other fiduciary appointed as a legal representative of any Debtor or with respect to the property of the estate of any Debtor). In addition, this Agreement, including the releases provided in Sections 5 above, shall be binding on any and all representatives of the Debtors' bankruptcy estates, including any chapter 11 or chapter 7 trustee or any party that has or is granted standing to pursue claims or causes of action on behalf of the Debtors' estates.

18. Third Party Beneficiaries. Other than the Debtor/Lender Entities and the Alamos Entities not otherwise party hereto, there are no third party beneficiaries of this Agreement.

19. Notices. All notices, consents, waivers, and other communications under this Agreement must be in writing and shall be deemed to have been duly given when: (a) delivered by hand (with written confirmation of receipt) or (b) received by the addressee, if sent by email, in each case to the appropriate addresses and representative (if applicable) set forth in the signature page(s) attached hereto (or to such other addresses and representative as a Party may designate by notice to the other Parties in accordance with this paragraph).

[Remainder of Page Intentionally Left Blank; Signature Pages Follow]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date written in the opening paragraph hereof.

TORYS LLP

By /s/ Alison D. Bauer

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