

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Alio Gold Inc. (as successor to Rye Patch Gold Corp.)		2 Issuer's employer identification number (EIN) None	
3 Name of contact for additional information Investor Relations	4 Telephone No. of contact 604-682-4002	5 Email address of contact info@aliogold.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact Suite 507 - 700 West Pender St.		7 City, town, or post office, state, and ZIP code of contact Vancouver, BC, Canada V6C 1G8	
8 Date of action May 25, 2018		9 Classification and description Common stock	
10 CUSIP number 88741	11 Serial number(s)	12 Ticker symbol ALO (NYSE AMERICAN), ALO (TSX)	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ See attachment.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ See attachment.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ See attachment.


Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See attachment.

18 Can any resulting loss be recognized? ▶ See attachment.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attachment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶  Date ▶ July 6, 2018
Print your name ▶ Colene Ruzman Title ▶ EVP + CFO

Paid Preparer Use Only	Print/Type preparer's name Karn Paul Dhesi	Preparer's signature 	Date July 6, 2018	Check <input type="checkbox"/> if self-employed	PTIN P01603042
	Firm's name ▶ PRICEWATERHOUSECOOPERS LLP	Firm's EIN ▶ 98-0189320			
	Firm's address ▶ 250 HOWE STREET - SUITE 1400, VANCOUVER, BC, CANADA V6C 3S7	Phone no. 604-806-7000			

Alio Gold Inc. (as successor to Rye Patch Gold Corp.)
Attachment to Form 8937
REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES

The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of shareholders.

Part II
Box 14

Pursuant to a Plan of Arrangement (the "Plan of Arrangement") under British Columbia provincial law, Alio Gold Inc. ("Alio") acquired all the issued and outstanding common shares of Rye Patch Gold Corp. ("Rye Patch") on May 25, 2018. Each shareholder of Rye Patch received 0.48 of a common share of Alio (an "Alio Share") plus CA\$0.001 in cash, in exchange for each common share of Rye Patch (a "Rye Patch Share") they held on May 25, 2018. Under the Plan of Arrangement, on the same day, 1164410 B.C. Ltd. ("SubCo") (a wholly owned Canadian subsidiary of Alio) and Rye Patch amalgamated to form a single corporate entity. For U.S. federal income tax purposes, Rye Patch should be considered the surviving entity.

Further discussion of the tax consequences of the organizational actions can be found in the Notice of Meeting and Information Circular Concerning an Arrangement Agreement Involving Rye Patch Gold Corp. and Alio Gold Inc. (the "Information Circular"), as filed on April 18, 2018, under the heading "Certain United States Federal Income Tax Considerations to U.S. Holders". The Information Circular may be accessed at www.sedar.com.

Box 15

The exchange of Rye Patch Shares for Alio Shares and cash and the amalgamation of SubCo and Rye Patch, both pursuant to the Plan of Arrangement, should be treated as a transaction that qualifies as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code").

Although the transactions above are intended to be treated as a reorganization under Section 368(a) of the Code, gain, if any, should be recognized to the extent of the cash received by shareholders of Rye Patch. A holder receiving Alio Shares and cash in exchange of Rye Patch Shares should recognize gain in an amount equal to the lesser of (i) the amount by which the sum of the fair market value (expressed in U.S. dollars) of the Alio Shares and cash received by such holder exceeds such holder's tax basis in the Rye Patch Shares exchanged and (ii) the U.S. dollar amount of the cash received by such holder of Rye Patch Shares.

No loss, if any, should be recognized by any of the shareholders of Rye Patch Shares as a result of the Plan of Arrangement.

Even if the Plan of Arrangement qualifies as a reorganization under Code section 368(a), certain special rules would apply if Rye Patch was classified as a passive foreign investment company ("PFIC"), as defined under Code Section 1297, for any tax year during which a shareholder held Rye Patch Shares. Rye Patch believes that it will be classified as a PFIC for its tax year ended December 31, 2017 and believes that it was a PFIC in prior tax years, as noted in the Information Circular. Shareholders should review the Information Circular and consult their own tax advisors regarding the U.S. federal income tax consequences of the Plan of Arrangement.

Box 16

If the Plan of Arrangement qualifies as a reorganization under Section 368(a) of the Code, the aggregate U.S. tax basis of the Alio Shares received by U.S. shareholders should equal the aggregate U.S. tax basis of the Rye Patch Shares surrendered, decreased by the U.S. dollar value of cash consideration received, and increased by the amount of gain, if any, recognized on the exchange.

For purposes of calculating fair market value, the fair market value of an Alio Share as of May 25, 2018 was estimated to be US\$1.78, which was the closing price for an Alio Share on the Toronto Stock Exchange on May 24, 2018 (converted into US dollars).

Shareholders should consult with their own tax advisors to determine whether they are required to recognize any gain and to determine their adjusted basis in Alio Shares.

Box 17

Alio believes that the Plan of Arrangement should be treated as a single, integrated transaction which should qualify as a reorganization within the meaning of Code Section 368(a). Consequently, the U.S. federal income tax consequences to the Rye Patch shareholders should be determined under Code Sections 354, 358, 367, 1001 and 1221.

Additionally, if Rye Patch was classified as a PFIC, as defined under Code Section 1297, the PFIC rules and Code Sections 1291 – 1298 would be applicable. Shareholders should review the Information Circular and consult with their own tax advisors regarding the application of the PFIC rules.

Box 18

If the Plan of Arrangement qualifies as a reorganization under Section 368(a) of the Code, then each Rye Patch shareholder who receives Alio common shares for all of his or her shares should not recognize any loss.

Box 19

The share exchange and amalgamation above occurred on May 25, 2018. In general, any gain recognized should be reported by shareholders for the taxable year which includes May 25, 2018 (e.g. a calendar year shareholder would report the transactions on his or her U.S. federal income tax return filed for the 2018 calendar year).