



SECURITIES TRADING POLICY

I. Purpose

To describe the standards concerning the handling of non-public information relating to Alio Gold Inc. and its subsidiaries (the "Company") and the buying and selling of securities of the Company.

II. Persons Affected and Prohibited Transactions

This Policy applies to directors, officers and employees of the Company. Please note that the general prohibitions apply to all directors, officers and employees of the Company, while the restrictions set forth in Part V (blackout periods) and Part VI (pre-clearance) apply only to directors, officers and certain designated employees. If you are unsure whether you are subject to the restrictions set forth in Parts V or VI, please contact the Company's Corporate Counsel or his or her designee.

The same restrictions described in this Policy also apply to your spouse, minor children and anyone else living in your household, partnerships in which you are a general partner, trusts of which you are a trustee, estates of which you are an executor and investment funds or other similar vehicles with which you are affiliated (collectively "Related Parties"). You will be responsible for compliance with this Policy by your Related Parties.

For purposes of this Policy, references to "trading" or to "transactions in securities of the Company" include purchases or sales of Company shares, bonds, options, puts and calls, derivative securities based on securities of the Company, gifts of Company securities, loans of Company securities, hedging transactions involving or referencing Company securities, contributions of Company securities to a trust, grant of stock options to purchase Company shares, exercise of stock options to acquire Company shares, sales of Company shares acquired upon the exercise of stock options, broker-assisted cashless exercises of stock options, market sales to raise cash to fund the exercise of options and trades in Company shares made under any employee benefit plan.

III. Policy Statement

If a director, officer or employee has material non-public information (as further discussed below) relating to the Company, it is our policy that neither that person nor any Related Party:

- may effect transactions in securities of the Company (other than pursuant to an individual's pre-approved trading plan that complies with applicable securities laws) or engage in any other action to take advantage of that information, or
- may pass that information on to any person outside the Company or suggest or recommend that any such person effect a transaction in securities of the Company or engage in any other action to take advantage of that information.

This Policy will continue to apply after termination of employment to the extent that a former director, officer or employee is in possession of material non-public information at the time of termination. In such case, no transaction in securities of the Company may take place until the information becomes public or ceases to be material.

This Policy also applies to information, obtained in the course of employment with, or by serving as a director of, the Company, relating to any other company, including:

- our customers, clients or suppliers;
- any entity with which we may be negotiating a major transaction or business combination, or
- any entity as to which we have a direct or indirect control relationship or a designee on the board of directors.

No director, officer or employee may effect transactions in the securities of any such other company while in possession of material non-public information concerning such company that was obtained in the course of employment with the Company.

Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are no exception. Even the appearance of an improper transaction must be avoided to preserve our reputation for adhering to the highest standards of conduct.

Material Information. “Material Information” is any information that (i) a reasonable investor would consider important in a decision to effect a transaction in securities of the Company, or (ii) results in, or would reasonably be expected to result in, a significant change in the market price or value of such securities. Either positive or negative information may be material. Common examples of information that will frequently be regarded as material are:

- projections of future production levels, earnings or losses, or other guidance concerning production levels or earnings;
 - the fact that production levels or earnings are inconsistent with consensus expectations;
 - changes in the Company’s estimated mineral reserves or resources;
 - a pending or proposed merger, joint venture, acquisition or tender offer;
 - a significant sale of assets (including property interests) or the disposition of a subsidiary or business unit;
 - changes in dividend policies or the declaration of a stock split or the offering of additional securities;
 - changes in senior management or other key employees;
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- significant new products or services;
- significant legal or regulatory exposure due to a pending or threatened lawsuit or investigation;
- impending bankruptcy or other financial liquidity problems;
- changes in legislation affecting our business;
- the entering into or termination of a material contract; and
- the gain or loss of a substantial customer, client or supplier.

20-20 Hindsight

Remember, if your transaction in securities of the Company becomes the subject of scrutiny, it will be viewed after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction you should carefully consider how regulators and others might view your transaction in hindsight.

Tipping Information to Other

Whether the information is proprietary information about the Company or other information that could have an impact on the price of the Company's securities, directors, officers and employees must not pass the information onto others. Penalties will apply whether or not you derive, or even intend to derive, any profit or other benefit from another person's actions.

When Information is Public

You may not trade on the basis of material information until such information has been broadly disclosed to the marketplace, such as through a press release, and the marketplace has had time to absorb the information. As a general rule, information should not be considered fully absorbed by the marketplace until the end of the second business day after the information is released. Thus, if information is released on a Monday, trading should not take place until Thursday.

Transactions under Company Plans

This Policy applies to the exercise of stock options and to the sale of common shares received upon exercise.

Confidentiality Obligations

The restrictions set forth in this Policy are designed to avoid misuse of material non-public information in violation of applicable securities laws. These restrictions are in addition to, and in no way alter, the general obligations that each director, officer and employee of the Company has to maintain the confidentiality of all confidential or proprietary information concerning the Company and its business, as well as any other confidential information, that may be learned in the course of service or employment with the Company. No such information is to be disclosed to any other person in the Company, unless that person has a clear need to know that information, and no such information may be disclosed to any third parties, except as required or otherwise contemplated by your function or position.

IV. Additional Prohibited Transactions

Because we believe it is improper and inappropriate for any person to engage in short-term or speculative transactions involving the Company's securities, it is the policy of the Company that directors, officers and employees of the Company, and their Related Parties, are prohibited from engaging in any of the following activities with respect to securities of the Company:

1. Purchases of common shares of the Company on margin. Although you may pledge Company securities as security for margin accounts, you are responsible for ensuring that foreclosure on any such account would not violate this Policy and you should be aware that sales of such securities could have securities law implications for you.
2. Short sales (i.e. selling shares you do not own and borrowing the shares to make delivery). The SEC effectively prohibits directors and officers from selling Company securities short. This Policy is simply expanding this prohibition to cover all employees.
3. Buying or selling puts, calls, options or other derivatives in respect of securities of the Company.

V. Blackout Periods – For Directors, Officers and Certain Other Personnel with Access to our Results

The Company's announcement of annual and quarterly financial results has the potential to have a material impact on the market for the Company's securities. Therefore, in order to avoid any appearance that its directors, officers, employees and other insiders are trading while aware of material non-public information, all directors, officers and certain other persons who are or may be expected to be aware of quarterly financial results of the Company will be subject to quarterly blackouts on trading.

The Company has established the following "blackout periods":

1. in relation to the publication of its annual and quarterly results, the period commencing on the first day following the end of each fiscal quarter and ending on and including the second trading day after the filing of the Company's financial statements and related MD&A for such fiscal quarter or fiscal year in Canada on SEDAR and in the United States on EDGAR; and
2. for directors and officers, to the extent and during the periods as the Corporate Counsel or his or her designee may direct.

Accordingly, in relation to the publication of the Company's annual and quarterly results, blackout periods will commence on January 1, April 1, July 1 and October 1 and end on the second trading day after the filing of the Company's financial statements and related MD&A for such fiscal quarter or fiscal year in Canada on SEDAR and in the United States on EDGAR.



During these blackout periods, the following persons and their Related Parties are prohibited from effecting transactions in securities of the Company:

- directors and their secretaries and other assistants;
- officers and their secretaries and other assistants;
- employees in the accounting, finance, investor relations, corporate communications and legal departments; and
- any other person designated by the Corporate Counsel or his or her designee.

You should be aware that the blackout periods described above may be modified by the Company at any time. In addition, the Company may from time to time determine that effecting transactions in securities of the Company is inappropriate at a time that is outside the blackout periods and, accordingly, may notify you of additional closed periods at any time. For example, a blackout period may be imposed shortly before issuance of interim earnings guidance. Those subject to blackout period requirements will receive notice of any modification by the Company of the closed period policy or of any additional prohibition on trading during a non-blackout period. Persons subject to the blackout period restrictions who terminate their employment with the Company during a blackout period will remain subject to the restrictions until the end of such period.

The prohibition described in this Part V shall not apply to (i) gifts of Company securities and contributions of Company securities to a trust or (ii) transactions pursuant to pre-arranged trading plans that comply with applicable securities laws, so long as the requirements of Part VI below are complied with.

The Company's Corporate Counsel or his or her designee may, on a case by case basis, authorize effecting a transaction in Company securities during a blackout period if the person who wishes to effect such a transaction (i) has, at least two business days prior to the anticipated transaction date, notified the Company in writing of the circumstances and the amount and nature of the proposed transaction and (ii) has certified to the Company that he or she is aware of the legal prohibitions against insider trading applicable to such person and is not in possession of material non-public information concerning the Company.

VI. Pre-Clearance of Securities Transactions

To provide assistance in preventing inadvertent violations of the law (which could result, for example, from failure by directors and officers to comply with insider reporting obligations under Canadian securities laws, as described below) and to avoid even the appearance of an improper transaction (which could result, for example, where an officer engages in a trade while unaware of a pending major development), we are implementing the following procedure:

All transactions in securities of the Company by the following persons and their Related Parties must be pre-cleared with the Company's Corporate Counsel or his or her designee:

- directors and their secretaries and other assistants;
- officers and their secretaries and other assistants;
- employees in the accounting, finance, investor relations, corporate communications and legal departments; and
- any other person designated by the Corporate Counsel or his or her designee.

Persons subject to these restrictions should contact the Corporate Counsel and his or her designee, if applicable, by email at least two business days (or such shorter period as the Corporate Counsel or his or her designee may determine) in advance and may not effect any transaction subject to the pre-clearance request unless given clearance to do so, which clearance, if granted, will be valid only for three (3) business days following the approval date. Such email should contain confirmation that the person requesting pre-clearance is aware of the legal prohibitions against insider trading applicable to such person and is not in possession of material non-public information concerning the Company. If a transaction for which clearance has been granted is not effected (i.e. the trade is not placed) within such three business day period, the transaction must again be pre-cleared.

To the extent that a material event or development affecting the Company remains non-public, persons subject to pre-clearance will not be given permission to effect transactions in securities of the Company. Such persons may not be informed of the reason why they may not trade. Any person that is made aware of the reason for an event-specific prohibition on trading should in no event disclose the reason for the prohibition to third parties and should avoid disclosing the existence of the prohibition, if possible. Caution should be exercised when telling a broker or other person who suggested a trade that the trade cannot be effected at the time.

The pre-clearance requirements described above will not apply to transactions completed under a pre-arranged trading plan that complies with applicable securities laws, provided that any such trading plan is authorized by the Company's Corporate Counsel prior to any transactions being completed thereunder. The insider must establish the plan at a time when he or she is not in possession of material non-public information and the insider may not exercise any subsequent influence over how, when or whether to effect transactions under the plan. Transactions under an approved plan must be properly documented and are subject to review by the Company's Corporate Counsel from time to time. In addition, the Company will treat the modification or termination of any such plan as a transaction subject to pre-approval under this Part and subject to the blackout periods under Part V above.

VII. Insider Reporting

Canadian securities laws require an insider to disclose in an insider report any direct or indirect beneficial ownership of, or control or direction over, and trading in, securities of the Company. Filing of insider reports is the responsibility of each insider. Current



legislation requires that an insider file an insider report reflecting any changes to his or her holdings within 5 calendar days of the change. (Dispositions by control persons must be reported within 3 calendar days). The Company's Corporate Counsel or his or her designee is available to assist in the preparation and filing of insider reports, as requested. An insider who files his or her own insider reports shall ensure that such reports are filed in a manner and time required by law and shall provide a copy to the Corporate Counsel. In addition, any person who beneficially owns 5% or more of the Company's outstanding common shares is subject to certain reporting requirements under Section 13(d) of the Securities exchange act of 1934, as amended. Please contact the Corporate Counsel if you require additional information.

VIII. Assistance

Any person who has any questions about this Policy or about specific transactions may contact the Company's Corporate Counsel or his or her designee. Remember, however, that the ultimate responsibility for adhering to this Policy and avoiding improper transactions rests with you. In this regard, it is imperative that you use your best judgment and to ask before acting if you are unsure.



STATEMENT OF ACKNOWLEDGMENT

You are being furnished two copies of this Policy. If you are a director, officer or employee who is subject to the blackout and pre-clearance procedures described in Parts V and VI of this Policy, please sign one copy below and return it to Alio Gold Inc. at Suite 615, 700 West Pender Street, Vancouver, BC, V6C 1G8; Attention: Corporate Counsel.

I have read and I understand the Alio Gold Inc. Securities Trading Policy, and I agree to comply with all of its requirements. I understand that failure to do so can result in termination of employment, among other penalties.

Name: _____
Print Above

Signature: _____

Date: _____