



**Part II Organizational Action (continued)**

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► Certain steps will occur after the Share Exchange, including a contribution by Detour of the Trade Winds shares to its wholly owned subsidiary ("Subco"), followed by the amalgamation of Subco and Trade Winds. Though not free from doubt (and as described in the attached), Detour believes that these steps should be treated as a single, integrated transaction, which should qualify as a reorganization within the meaning of Code Section 368(a). Consequently, the federal income tax consequences to the Trade Winds shareholders are determined under Code Sections 354, 356, 358 and 1221.

In addition, Trade Winds believes that it constituted a passive foreign investment company as defined under Code Section 1297 (a "PFIC") for its tax year ended November 30, 2009 and may have been classified as a PFIC in prior tax years. As a result, the PFIC rules and Code Section 1291 may apply to holders who held Trade Winds shares during tax years when it was classified as a PFIC.

18 Can any resulting loss be recognized? ► See attached.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► In general, any gain recognized should be reported by shareholders for the taxable year which includes December 1, 2011 (e.g., a calendar-year shareholder would report the transaction on his or her federal income tax return filed for the 2011 calendar year).

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.

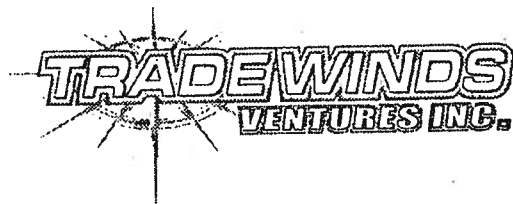
Sign Here

Signature ► *John D. Hollinrake Jr.*  
Print your name ► John D. Hollinrake Jr.

Date ► January 16, 2012  
Title ► Vice President, General Counsel and Corporate Secretary

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	<u>John D. Hollinrake Jr.</u>	Preparer's signature	<u><i>John D. Hollinrake Jr.</i></u>	Date	<u>1/13/2012</u>	Check <input type="checkbox"/> if self-employed	PTIN	<u>PO1568530</u>
	Firm's name	► <u>Dorsey &amp; Whitney LLP</u>				Firm's EIN	► <u>41-0223337</u>		
	Firm's address	► <u>Columbia Center, 701 Fifth Avenue, Suite 6100, Seattle, Washington 98104</u>				Phone no.	► <u>(206) 903-8812</u>		
	Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054								

None of the Canadian securities regulatory authorities nor the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of the proposed arrangement involving Trade Winds Ventures Inc. and Detour Gold Corporation, or passed upon the merits or fairness of the arrangement or upon the adequacy or accuracy of the information contained in this notice of special meeting and management information circular. Any representation to the contrary is a criminal offence.



**NOTICE OF SPECIAL MEETING  
AND  
MANAGEMENT INFORMATION CIRCULAR  
RELATING TO THE  
SPECIAL MEETING OF  
TRADE WINDS VENTURES INC.  
REGARDING  
THE ARRANGEMENT  
INVOLVING  
TRADE WINDS VENTURES INC.  
AND  
DETOUR GOLD CORPORATION  
OCTOBER 21, 2011**

These materials are important and require your immediate attention. They require the shareholders of Trade Winds Ventures Inc. to make important decisions. If you are in doubt as to how to make such decisions, please call your financial, legal or other professional advisors. If you have any questions or require more information with regard to voting your common shares or completing your transmitted documentation, please contact Kingsdale Shareholder Services Inc., our proxy solicitation and information agent, toll-free within North America at 1-866-581-0512 or collect outside North America at (416) 867-2272 or by e-mail at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).

**NOTICE TO UNITED STATES SECURITYHOLDERS**

*The enforcement by investors of civil liabilities under U.S. federal securities laws may be affected adversely by the fact that each of Trade Winds Ventures Inc. and Detour Gold Corporation are organized under the laws of a jurisdiction other than the U.S., that some of their respective officers and directors are residents of countries other than the U.S., that some or all of the experts named in this management information circular may be residents of countries other than the U.S., or that all or a substantial portion of the assets of Trade Winds Ventures Inc., Detour Gold Corporation and such persons are located outside the U.S. Because such persons are located outside the U.S., it may not be possible for you to effect service of process within the U.S. on these persons. Furthermore, you may not be able to enforce against such persons, Trade Winds Ventures Inc. or Detour Gold Corporation, in the U.S., judgments obtained in U.S. courts for violations of U.S. securities laws.*

A Non-Resident Dissenting Shareholder who, consequent upon the exercise of Dissent Rights, disposes of Trade Winds Shares in consideration for the right to be paid by Detour Gold fair value for each such share in accordance with the Dissent Procedures should realize a capital gain (or capital loss) to the extent that the payment (other than interest), net of any reasonable costs of disposition, exceeds (or is less than) the Non-Resident Dissenting Shareholder's adjusted cost base of the Trade Winds Shares. A Non-Resident Dissenting Shareholder should generally not be subject to income tax under Part I of the Tax Act in respect of any capital gain realized on a disposition of Trade Winds Shares pursuant to the exercise of Dissent Rights unless such Trade Winds Shares are considered to be "taxable Canadian property" to the Non-Resident Dissenting Shareholder at the Effective Time and are not "treaty protected property" to such Non-Resident Dissenting Shareholder, generally as described above under the heading "The Arrangement — Certain Canadian Federal Income Tax Considerations — Holders Not Resident in Canada — Share Exchanges and Subsequent Dispositions of Shares".

Any amount in respect of interest awarded by a court to a Non-Resident Dissenting Shareholder should not generally be subject to Canadian non-resident withholding tax levied under Part XIII of the Tax Act.

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

The following is a general summary of certain U.S. federal income tax considerations applicable to a U.S. Holder with respect to the Arrangement and the ownership and disposition of Detour Gold Shares received pursuant to the Arrangement. This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax considerations that may apply to a U.S. Holder as a result of the Arrangement or as a result of the ownership and disposition of Detour Gold Shares received pursuant to the Arrangement. In addition, this summary does not take into account the individual facts and circumstances of any particular U.S. Holder that may affect the U.S. federal income tax consequences to such U.S. Holder, including specific tax consequences to a U.S. Holder under an applicable tax treaty. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any U.S. Holder. This summary does not address the U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, and foreign tax consequences to U.S. Holders of the Arrangement or the ownership and disposition of Detour Gold Shares. Each U.S. Holder should consult its own tax advisor regarding the U.S. federal, U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, and foreign tax consequences of the Arrangement or the ownership and disposition of Detour Gold Shares.

No legal opinion from U.S. legal counsel or ruling from the IRS has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the Arrangement and the ownership and disposition of Detour Gold Shares received pursuant to the Arrangement. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, and contrary to, the positions taken in this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the IRS and the U.S. courts could disagree with one or more of the positions taken in this summary.

**NOTICE PURSUANT TO IRS CIRCULAR 230: NOTHING CONTAINED IN THIS SUMMARY CONCERNING ANY U.S. FEDERAL TAX ISSUE IS INTENDED OR WRITTEN TO BE USED, AND IT CANNOT BE USED, BY A U.S. HOLDER, FOR THE PURPOSE OF AVOIDING U.S. FEDERAL TAX PENALTIES UNDER THE REVENUE CODE. THIS SUMMARY WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED BY THIS CIRCULAR. EACH U.S. HOLDER SHOULD SEEK U.S. FEDERAL TAX ADVICE, BASED ON SUCH U.S. HOLDER'S PARTICULAR CIRCUMSTANCES, FROM AN INDEPENDENT TAX ADVISOR.**

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if you have any questions, or require assistance completing your Proxy.*

## *Scope of This Disclosure*

### *Authorities*

This summary is based on the Revenue Code, U.S. Treasury Regulations (whether final, temporary, or proposed), published rulings of the IRS, published administrative positions of the IRS, the U.S. Treaty, and U.S. court decisions that are applicable and, in each case, as in effect and available, as of the date of this Circular. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive or prospective basis which could affect the U.S. federal income tax considerations described in this summary. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation that, if enacted, could be applied on a retroactive or prospective basis.

### *U.S. Holders*

For purposes of this summary, the term "U.S. Holder" means a beneficial owner of Trade Winds Shares (or, after the Arrangement, Detour Gold Shares) participating in the Arrangement or exercising Dissent Rights pursuant to the Arrangement that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the U.S.;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) organized under the laws of the U.S.;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust that (a) is subject to the primary supervision of a court within the U.S. and the control of one or more U.S. persons for all substantial decisions or (b) has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

### *Non-U.S. Holders*

For purposes of this summary, a "non-U.S. Holder" is a beneficial owner of Trade Winds Shares participating in the Arrangement or exercising Dissent Rights that is not a U.S. Holder. This summary does not address the U.S. federal income tax consequences applicable to non-U.S. Holders arising from the Arrangement or the ownership and disposition of Detour Gold Shares received pursuant to the Arrangement. Accordingly, a non-U.S. Holder should consult its own tax advisor regarding the U.S. federal, U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local tax, and foreign tax consequences (including the potential application of and operation of any income tax treaties) relating to the Arrangement and the ownership and disposition of Detour Gold Shares received pursuant to the Arrangement.

### *Transactions Not Addressed*

This summary does not address the U.S. federal income tax consequences of transactions effected prior or subsequent to, or concurrently with, the Arrangement (whether or not any such transactions are undertaken in connection with the Arrangement), including, without limitation, the following:

- any conversion into Trade Winds Shares or Detour Gold Shares of any notes, debentures or other debt instruments;
- any vesting, conversion, assumption, disposition, exercise, exchange, or other transaction involving any rights to acquire Trade Winds Shares or Detour Gold Shares, including the Trade Winds Options, Trade Winds Warrants or the Detour Gold Options; and
- any transaction, other than the Arrangement, in which Trade Winds Shares or Detour Gold Shares are acquired.

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### *U.S. Holders Subject to Special U.S. Federal Income Tax Rules Not Addressed*

This summary does not address the U.S. federal income tax considerations of the Arrangement to U.S. Holders that are subject to special provisions under the Revenue Code, including the following: (a) U.S. Holders that are tax-exempt organizations, qualified retirement plans, individual retirement accounts, or other tax-deferred accounts; (b) U.S. Holders that are financial institutions, underwriters, insurance companies, real estate investment trusts, or regulated investment companies; (c) U.S. Holders that are broker-dealers, dealers, or traders in securities or currencies that elect to apply a mark-to-market accounting method; (d) U.S. Holders that have a "functional currency" other than the U.S. dollar; (e) U.S. Holders that own Trade Winds Shares (or after the Arrangement, Detour Gold Shares) as part of a straddle, hedging transaction, conversion transaction, constructive sale, or other arrangement involving more than one position; (f) U.S. Holders that acquired Trade Winds Shares (or after the Arrangement, Detour Gold Shares) in connection with the exercise of employee stock options or otherwise as compensation for services; (g) U.S. Holders that hold Trade Winds Shares (or after the Arrangement, Detour Gold Shares) other than as a capital asset within the meaning of Section 1221 of the Revenue Code (generally, property held for investment purposes); and (h) U.S. Holders that own, directly, indirectly, or by attribution, 5% or more, by voting power or value, of the outstanding Trade Winds Shares (or after the Arrangement, Detour Gold Shares). This summary also does not address the U.S. federal income tax considerations applicable to U.S. Holders who are: (a) U.S. expatriates or former long-term residents of the U.S.; (b) persons that have been, are, or will be a resident or deemed to be a resident in Canada for purposes of the Tax Act; (c) persons that use or hold, will use or hold, or that are or will be deemed to use or hold Trade Winds Shares (or after the Arrangement, Detour Gold Shares) in connection with carrying on a business in Canada; (d) persons whose Trade Winds Shares (or after the Arrangement, Detour Gold Shares) constitute "taxable Canadian property" under the Tax Act; or (e) persons that have a permanent establishment in Canada for the purposes of the U.S. Treaty. U.S. Holders that are subject to special provisions under the Revenue Code, including U.S. Holders described immediately above, should consult their own tax advisor regarding the U.S. federal, U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local tax, and foreign tax consequences relating to the Arrangement and the ownership and disposition of Detour Gold Shares received pursuant to the Arrangement.

If an entity that is classified as a partnership (or "pass-through" entity) for U.S. federal income tax purposes holds Trade Winds Shares (or after the Arrangement, Detour Gold Shares), the U.S. federal income tax consequences to such partnership and the partners of such partnership of participating in the Arrangement and the ownership and disposition of Detour Gold Shares received pursuant to the Arrangement generally will depend in part on the activities of the partnership and the status of such partners. This summary does not address the tax consequences to any such partner or partnership. Partners of entities that are classified as partnerships for U.S. federal income tax purposes should consult their own tax advisors regarding the U.S. federal income tax consequences of the Arrangement and the ownership and disposition of Detour Gold Shares received pursuant to the Arrangement.

### *Certain U.S. Federal Income Tax Consequences of the Arrangement*

#### *Characterization of the Arrangement*

Pursuant to the Plan of Arrangement: (a) the U.S. Holders (other than those that validly exercise Dissent Rights) will exchange Trade Winds Shares and receive Detour Gold Shares and cash (for the purposes of this section of the Circular, the "Share Exchange"); (b) Detour Gold will then contribute the Trade Winds Shares to Subco (the "Contribution"); and (c) Subco and Trade Winds will then amalgamate (for the purposes of this section of the Circular, the "Amalgamation", and, together with the Share Exchange and the Contribution, the "Arrangement Transactions"). This summary assumes that the Arrangement Transactions will be treated for U.S. federal income tax purposes as a single, integrated transaction characterized as the merger of Subco and Trade Winds with Amalco. Although there are no authorities addressing facts identical to the Arrangement and therefore the matter is not free from doubt, Trade Winds and Detour Gold intend for the Arrangement Transactions to be treated as a single integrated transaction for U.S. federal income tax purposes.

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The Arrangement Transactions have been structured with the intent that the Arrangement will qualify as a tax-deferred "reorganization" within the meaning of Section 368(a) of the Revenue Code (a "Reorganization"). Because the determination of whether the Arrangement will qualify as a Reorganization depends on the resolution of complex issues and facts, some of which will not be known until the closing of the Arrangement Transactions, there can be no assurance that the Arrangement will qualify as a Reorganization. In addition, since the Arrangement Transactions will be effected pursuant to applicable provisions of Canadian corporate law that are not identical to analogous provisions of U.S. corporate law, there can be no assurance that the IRS or a U.S. court would not take the view that the Arrangement does not qualify as a Reorganization. Neither Trade Winds nor Detour Gold has sought or obtained an opinion of legal counsel or a ruling from the IRS regarding any of the tax consequences of the Arrangement. Accordingly, there can be no assurance that the IRS will not challenge the treatment of the Arrangement as a Reorganization or that the U.S. courts will uphold the status of the Arrangement as a Reorganization in the event of an IRS challenge. The tax consequences of the Arrangement qualifying as a Reorganization or as a taxable transaction are discussed below. U.S. Holders should consult their own U.S. tax advisors regarding the proper tax reporting of the Arrangement.

*Tax Consequences if Trade Winds is Classified as a PFIC*

A U.S. Holder of Trade Winds Shares would be subject to special, adverse tax rules in respect of the Arrangement if Trade Winds was classified as a "passive foreign investment company" under the meaning of Section 1297 of the Revenue Code (a "PFIC") for any tax year during which such U.S. Holder holds or held Trade Winds Shares.

A non-U.S. corporation is classified as a PFIC for each tax year in which (i) 75% or more of its income is passive income (as defined for U.S. federal income tax purposes) or (ii) on average for such tax year, 50% or more of its assets (based on the quarterly average of the fair-market of such assets) either produce or are held for the production of passive income. For purposes of the PFIC provisions, "gross income" generally includes sales revenues less cost of goods sold, and "passive income" generally includes dividends, interest, royalties, rents, and gains from commodities or securities transactions, including certain transactions involving oil and gas. In determining whether or not it is classified as a PFIC, a non-U.S. corporation is required to take into account its pro rata portion of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% interest.

Trade Winds believes that it did not constitute a PFIC during its tax year ended on November 30, 2010 and based on current business plans and financial projections, Trade Winds expects that it should not be a PFIC during its current tax year ending November 30, 2011. Trade Winds believes that it constituted a PFIC for its tax year ended November 30, 2009 and may have also been classified as a PFIC in prior tax years. No determination has been made regarding whether Trade Winds may be a PFIC for its tax year beginning on December 1, 2011. PFIC classification is factual in nature, and generally cannot be determined until the close of the tax year in question. Additionally, the analysis depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. Consequently, there can be no assurances regarding the PFIC status of Trade Winds during its current tax year or any prior or future tax year.

Under proposed U.S. Treasury Regulations, absent application of the "PFIC-for-PFIC Exception" discussed below, if Trade Winds is classified as a PFIC for any tax year during which a U.S. Holder holds Trade Winds Shares, special rules may increase such U.S. Holder's U.S. federal income tax liability with respect to the Arrangement. Under the default PFIC rules:

- the Arrangement may be treated as a taxable exchange even if such transaction qualifies as a Reorganization as discussed below;
- any gain on the sale, exchange or other disposition of Trade Winds Shares and any "excess distribution" (defined as an annual distribution that is more than 25% in excess of the average annual distribution over the past three years) will be allocated rateably over such U.S. Holder's holding period;

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- the amount allocated to the current tax year and any year prior to the first year in which Trade Winds was classified as a PFIC will be taxed as ordinary income in the current year;
- the amount allocated to each of the other tax years will be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year; and
- an interest charge for a deemed deferral benefit will be imposed with respect to the resulting tax attributable to each of the other tax years, which interest charge is not deductible by non-corporate U.S. Holders.

A U.S. Holder that has made a “mark-to-market” election under Section 1296 of the Revenue Code or a timely and effective election to treat Trade Winds as a “qualified electing fund” under Section 1295 of the Revenue Code (a “QEF Election”) may generally mitigate or avoid the PFIC consequences described above with respect to the Arrangement.

Notwithstanding the foregoing, if (i) the Arrangement qualifies as a Reorganization, (ii) Trade Winds was classified as a PFIC for any tax year during which a U.S. Holder holds or held Trade Winds Shares, and (iii) Detour Gold also qualifies as a PFIC for the tax year that includes the day after the Effective Date of the Arrangement, then proposed U.S. Treasury Regulations generally provide for Reorganization treatment to apply to such U.S. Holder’s exchange of Trade Winds Shares for Detour Gold Shares pursuant to the Arrangement (for a discussion of the general nonrecognition treatment of a Reorganization, see discussion below under the heading “The Arrangement — Certain U.S. Federal Income Tax Consequences of the Arrangement — Tax Consequences if the Arrangement Qualifies as a Reorganization”). For purposes of this summary, this exception will be referred to as the “PFIC-for-PFIC Exception.” However, notwithstanding any qualification of the Arrangement under the PFIC-for-PFIC Exception, the receipt of cash pursuant to the Arrangement will be subject to the default PFIC rules described above. In addition, in order to qualify for the PFIC-for-PFIC Exception, proposed U.S. Treasury Regulations require a U.S. Holder to report certain information to the IRS on Form 8621 together with such U.S. Holder’s U.S. federal income tax return for the tax year in which the Arrangement occurs.

Detour Gold believes that it qualified as a PFIC for its tax year ended December 31, 2010. No determination has been made as to whether Detour Gold will be classified as a PFIC for its current tax year. PFIC classification is factual in nature, and generally cannot be determined until the close of the tax year in question. Additionally, the analysis depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. Consequently, there can be no assurances regarding the PFIC status of Detour Gold for any tax year. Accordingly, if the proposed U.S. Treasury Regulations were finalized and made applicable to the Arrangement (even if this occurs after the Effective Date of the Arrangement), it is unclear if the PFIC-for-PFIC Exception would apply to U.S. Holders with respect to the Arrangement.

Each U.S. Holder should consult its own tax advisor regarding the potential application of the PFIC rules to the exchange of Trade Winds Shares for Detour Gold Shares and cash pursuant to the Arrangement, and the information reporting responsibilities under the proposed U.S. Treasury Regulations in connection with the Arrangement.

In addition, the proposed U.S. Treasury Regulations discussed above were proposed in 1992 and have not been adopted in final form. The proposed U.S. Treasury Regulations state that they are to be effective for transactions occurring on or after April 11, 1992. However, because the proposed U.S. Treasury Regulations have not yet been adopted in final form, they remain in proposed form and there is no assurance they will be finally adopted in the form and with the effective date proposed. Further, it is uncertain whether the IRS would consider the proposed U.S. Treasury Regulations to be effective for purposes of determining the U.S. federal income tax treatment of the Arrangement. In the absence of the proposed U.S. Treasury Regulations being finalized in their current form, the U.S. federal income tax consequences to a U.S. Holder set forth below in the discussion “Tax Consequences if the Arrangement Qualifies as a Reorganization” or “Treatment of the Arrangement as a Taxable Transaction” may be applicable. If gain is not recognized under the proposed

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U.S. Treasury Regulations, a U.S. Holder's holding period for the Detour Gold Shares for purposes of applying the PFIC rules presumably would include the period during which the U.S. Holder held its Trade Winds Shares. Consequently, a subsequent disposition of the Detour Gold Shares presumably would be taxable under the default PFIC rules described above. U.S. Holders should consult their own tax advisors regarding whether the proposed U.S. Treasury Regulations under Section 1291 would apply if the Arrangement qualifies as a Reorganization.

*Tax Consequences if the Arrangement Qualifies as a Reorganization*

If the Arrangement qualifies as a Reorganization, and the default PFIC rules discussed above do not apply, then the following U.S. federal income tax consequences will result for U.S. Holders:

- (a) a U.S. Holder of Trade Winds Shares who exchanges Trade Winds Shares for Detour Gold Shares and Canadian currency will recognize gain (but not loss) to the extent of the lesser of (1) the excess of the fair market value of the Detour Gold Shares and the U.S. dollar value of the Canadian currency on the date of receipt over the adjusted tax basis of the Trade Winds Shares surrendered, and (2) the U.S. dollar value of the Canadian currency on the date of receipt;
- (b) the aggregate tax basis of a U.S. Holder in the Detour Gold Shares acquired in exchange for Trade Winds Shares and cash pursuant to the Arrangement will be equal to such U.S. Holder's aggregate tax basis in the Trade Winds Shares surrendered in exchange therefor, increased by the amount of gain recognized and decreased by the U.S. dollar value of the Canadian currency on the date of receipt;
- (c) the holding period of a U.S. Holder for the Detour Gold Shares acquired in exchange for Trade Winds Shares pursuant to the Arrangement will include such U.S. Holder's holding period for Trade Winds Shares; and
- (d) U.S. Holders who exchange Trade Winds Shares for Detour Gold Shares pursuant to the Arrangement generally will be required to report certain information to the IRS on their U.S. federal income tax returns for the tax year in which the Arrangement occurs, and to retain certain records related to the Arrangement.

The IRS could challenge a U.S. Holder's treatment of the Arrangement as a Reorganization. If this treatment were successfully challenged, then the Arrangement would be treated as a taxable transaction, with the consequences discussed immediately below (including the recognition of any realized gain).

*Treatment of the Arrangement as a Taxable Transaction*

If the Arrangement does not qualify as a Reorganization for U.S. federal income tax purposes, subject to the PFIC rules discussed above, then the following U.S. federal income tax consequences will result for U.S. Holders:

- (a) a U.S. Holder will recognize gain or loss in an amount equal to the difference, if any, between (i) the fair market value (expressed in U.S. dollars) of the Detour Gold Shares and cash received in exchange for Trade Winds Shares pursuant to the Arrangement and (ii) the adjusted tax basis (expressed in U.S. dollars) of such U.S. Holder in Trade Winds Shares exchanged;
- (b) the tax basis of a U.S. Holder in the Detour Gold Shares received in exchange for Trade Winds Shares and cash pursuant to the Arrangement would be equal to the fair market value of such Detour Gold Shares and cash on the date of receipt; and
- (c) the holding period of a U.S. Holder for the Detour Gold Shares received in exchange for Trade Winds Shares pursuant to the Arrangement will begin on the day after the date of receipt.

If Trade Winds is not classified as a PFIC for any tax year in which a U.S. Holder held Trade Winds Shares, any gain or loss described in clause (a) immediately above generally would be capital gain or loss, which will be

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long-term capital gain or loss if such Trade Winds Shares are held for more than one year. Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long-term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses are subject to complex limitations under the Revenue Code.

#### *U.S. Holders Exercising Dissent Rights*

A U.S. Holder that exercises Dissent Rights in the Arrangement and is paid cash in exchange for all of such U.S. Holder's Trade Winds Shares generally will recognize gain or loss in an amount equal to the difference, if any, between (a) the amount of cash received by such U.S. Holder in exchange for Trade Winds Shares (other than amounts, if any, that are or are deemed to be interest for U.S. federal income tax purposes, which amounts will be taxed as ordinary income) and (b) the tax basis of such U.S. Holder in such Trade Winds Shares surrendered. Subject to the PFIC rules discussed in this summary, such gain or loss generally will be capital gain or loss, which will be long-term capital gain or loss if such Trade Winds Shares have been held for more than one year. Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate, or trust. Deductions for capital losses are subject to complex limitations under the Revenue Code.

#### *PFIC Rules Related to the Ownership and Disposition of Detour Gold Shares*

If Detour Gold were to constitute a PFIC for any year during a U.S. Holder's holding period of Detour Gold Shares, then certain different and potentially adverse rules will affect the U.S. federal income tax consequences to a U.S. Holder resulting from the ownership and disposition of Detour Gold Shares.

Detour Gold believes that it qualified as a PFIC for its tax year ended December 31, 2010. No determination has been made as to whether Detour Gold will be classified as a PFIC for its current tax year. PFIC classification is factual in nature, and generally cannot be determined until the close of the tax year in question. Additionally, the analysis depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. Consequently, there can be no assurances regarding the PFIC status of Detour Gold for any tax year.

In addition, under certain attribution rules, if Detour Gold is a PFIC, U.S. Holders will be deemed to own their proportionate share of the stock of any subsidiary of Detour Gold which is also a PFIC (a "Subsidiary PFIC"), and will be subject to U.S. federal income tax on their proportionate share of (a) a distribution on the stock of a Subsidiary PFIC and (b) a disposition or deemed disposition of the stock of a Subsidiary PFIC, both as if such U.S. Holders directly held the shares of such Subsidiary PFIC. Each U.S. Holder should consult its own tax advisor regarding the PFIC status of Detour Gold and each Subsidiary PFIC.

In any year in which Detour Gold is classified as a PFIC, such holder would be required to file an annual report with the IRS containing such information as Treasury Regulations and/or other IRS guidance may require. This new filing requirement is in addition to pre-existing reporting obligations that may apply to a U.S. Holder if Detour Gold were classified as a PFIC. Pursuant to recent IRS guidance, this new filing requirement has been temporarily suspended in certain (but not all) cases pending release of revised IRS Form 8621. Additional guidance is also expected regarding the specific information that will be required to be reported on revised IRS Form 8621. U.S. Holders should consult their own tax advisors regarding the requirements of filing such information returns under these rules, including the requirement to file a revised IRS Form 8621 (after such form is released) for prior taxable years in which the obligation to file such form was suspended.

#### *Default PFIC Rules Under Section 1291 of the Revenue Code*

If Detour Gold is a PFIC, the U.S. federal income tax consequences to a U.S. Holder of the ownership and disposition of Detour Gold Shares will depend on whether such U.S. Holder makes an election to treat Detour Gold and each Subsidiary PFIC, if any, as a "qualified electing fund" or "QEF" under Section 1295 of the Revenue Code or makes a mark-to-market election under Section 1296 of the Revenue Code

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(a “**Mark-to-Market Election**”). A U.S. Holder that does not make either a QEF Election or a Mark-to-Market Election will be referred to in this summary as a “Non-Electing U.S. Holder.”

A Non-Electing U.S. Holder will be subject to the rules of Section 1291 of the Revenue Code with respect to (a) any gain recognized on the sale or other taxable disposition of Detour Gold Shares and (b) any excess distribution received on the Detour Gold Shares. A distribution generally will be an “excess distribution” to the extent that such distribution (together with all other distributions received in the current tax year) exceeds 125% of the average distributions received during the three preceding tax years (or during a Non-Electing U.S. Holder’s holding period for the Detour Gold Shares, if shorter).

Under Section 1291 of the Revenue Code, any gain recognized on the sale or other taxable disposition of Detour Gold Shares, and any “excess distribution” received on Detour Gold Shares, must be rateably allocated to each day in a Non-Electing U.S. Holder’s holding period for the respective Detour Gold Shares. The amount of any such gain or excess distribution allocated to the tax year of disposition or distribution of the excess distribution and to years before the entity became a PFIC, if any, would be taxed as ordinary income. The amounts allocated to any other tax year would be subject to U.S. federal income tax at the highest tax rate applicable to ordinary income in each such year, and an interest charge would be imposed on the tax liability for each such year, calculated as if such tax liability had been due in each such year. A Non-Electing U.S. Holder that is not a corporation must treat any such interest paid as “personal interest”, which is not deductible.

If Detour Gold is a PFIC for any tax year during which a Non-Electing U.S. Holder holds Detour Gold Shares, Detour Gold will continue to be treated as a PFIC with respect to such Non-Electing U.S. Holder, regardless of whether Detour Gold ceases to be a PFIC in one or more subsequent tax years. A Non-Electing U.S. Holder may terminate this deemed PFIC status by electing to recognize gain (which will be taxed under the rules of Section 1291 of the Revenue Code discussed above) as if such Detour Gold Shares were sold on the last day of the last tax year for which Detour Gold was a PFIC.

#### ***QEF Election***

A U.S. Holder that makes a timely and effective QEF Election for the first tax year in which its holding period of its Detour Gold Shares begins, generally, will not be subject to the rules of Section 1291 of the Revenue Code discussed above with respect to its Detour Gold Shares. A U.S. Holder that makes a timely and effective QEF Election will be subject to U.S. federal income tax on such U.S. Holder’s pro rata share of (a) the net capital gain of Detour Gold, which will be taxed as long-term capital gain to such U.S. Holder, and (b) the ordinary earnings of Detour Gold, which will be taxed as ordinary income to such U.S. Holder. Generally, “net capital gain” is the excess of (a) net long-term capital gain over (b) net short-term capital loss, and “ordinary earnings” are the excess of (a) “earnings and profits” over (b) net capital gain. A U.S. Holder that makes a QEF Election will be subject to U.S. federal income tax on such amounts for each tax year in which Detour Gold is a PFIC, regardless of whether such amounts are actually distributed to such U.S. Holder by Detour Gold. However, for any tax year in which Detour Gold is a PFIC and has no net income or gain, U.S. Holders that have made a QEF Election would not have any income inclusions as a result of the QEF Election. If a U.S. Holder that made a QEF Election has an income inclusion, such a U.S. Holder may, subject to certain limitations, elect to defer payment of current U.S. federal income tax on such amounts, subject to an interest charge. If such U.S. Holder is not a corporation, any such interest paid will be treated as “personal interest”, which is not deductible.

A U.S. Holder that makes a QEF Election generally (a) may receive a tax-free distribution from Detour Gold to the extent that such distribution represents “earnings and profits” of Detour Gold that were previously included in income by the U.S. Holder because of such QEF Election and (b) will adjust such U.S. Holder’s tax basis in the Detour Gold Shares to reflect the amount included in income or allowed as a tax-free distribution because of such QEF Election. In addition, a U.S. Holder that makes a QEF Election generally will recognize capital gain or loss on the sale or other taxable disposition of Detour Gold Shares.

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The procedure for making a QEF Election, and the U.S. federal income tax consequences of making a QEF Election, will depend on whether such QEF Election is timely. A QEF Election will be treated as "timely" if such QEF Election is made for the first year in the U.S. Holder's holding period for the Detour Gold Shares in which Detour Gold was a PFIC. A U.S. Holder may make a timely QEF Election by filing the appropriate QEF Election documents at the time such U.S. Holder files a U.S. federal income tax return for such year. If a U.S. Holder does not make a timely QEF Election for the first year in the U.S. Holder's holding period for the Detour Gold Shares, the U.S. Holder may still be able to make a timely and effective QEF Election in a subsequent year if such U.S. Holder also makes a "purging" election to recognize gain (which will be taxed under the rules of Section 1291 of the Code discussed above) as if such Detour Gold Shares were sold for their fair market value on the day the QEF Election is effective. If a U.S. Holder owns PFIC stock indirectly through another PFIC, separate QEF Elections must be made for the PFIC in which the U.S. Holder is a direct shareholder and the Subsidiary PFIC for the QEF rules to apply to both PFICs.

A QEF Election will apply to the tax year for which such QEF Election is timely made and to all subsequent tax years, unless such QEF Election is invalidated or terminated or the IRS consents to revocation of such QEF Election. If a U.S. Holder makes a QEF Election and, in a subsequent tax year, Detour Gold ceases to be a PFIC, the QEF Election will remain in effect (although it will not be applicable) during those tax years in which Detour Gold is not a PFIC. Accordingly, if Detour Gold becomes a PFIC in another subsequent tax year, the QEF Election will be effective and the U.S. Holder will be subject to the QEF rules described above during any subsequent tax year in which Detour Gold qualifies as a PFIC.

U.S. Holders should be aware that there can be no assurances that Detour Gold will satisfy the record keeping requirements that apply to a QEF, or that Detour Gold will supply U.S. Holders with information that such U.S. Holders require to report under the QEF rules, in the event that Detour Gold is a PFIC. Thus, U.S. Holders may not be able to make a QEF Election with respect to their Detour Gold Shares. Each U.S. Holder should consult its own tax advisor regarding the availability of, and procedure for making, a QEF Election.

#### ***Mark-to-Market Election***

A U.S. Holder may make a Mark-to-Market Election only if the Detour Gold Shares are marketable stock. The Detour Gold Shares generally will be "marketable stock" if the Detour Gold Shares are regularly traded on (a) a national securities exchange that is registered with the SEC, (b) the national market system established pursuant to section 11A of the U.S. Exchange Act, or (c) a foreign securities exchange that is regulated or supervised by a governmental authority of the country in which the market is located, provided that (i) such foreign exchange has trading volume, listing, financial disclosure, and other requirements and the laws of the country in which such foreign exchange is located, together with the rules of such foreign exchange, ensure that such requirements are actually enforced and (ii) the rules of such foreign exchange ensure active trading of listed stocks. If such stock is traded on such a qualified exchange or other market, such stock generally will be "regularly traded" for any calendar year during which such stock is traded, other than in de minimis quantities, on at least fifteen days during each calendar quarter.

A U.S. Holder that makes a Mark-to-Market Election with respect to its Detour Gold Shares generally will not be subject to the rules of Section 1291 of the Revenue Code discussed above with respect to such Detour Gold Shares. However, if a U.S. Holder does not make a Mark-to-Market Election beginning in the first tax year of such U.S. Holder's holding period for the Detour Gold Shares or such U.S. Holder has not made a timely QEF Election, the rules of Section 1291 of the Revenue Code discussed above will apply to certain dispositions of, and distributions on, the Detour Gold Shares.

A U.S. Holder that makes a Mark-to-Market Election will include in ordinary income, for each tax year in which Detour Gold is a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the Detour Gold Shares, as of the close of such tax year over (b) such U.S. Holder's tax basis in such Detour Gold Shares. A U.S. Holder that makes a Mark-to-Market Election will be allowed a deduction in an amount equal to the

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excess, if any, of (a) such U.S. Holder's adjusted tax basis in the Detour Gold Shares, over (b) the fair market value of such Detour Gold Shares (but only to the extent of the net amount of previously included income as a result of the Mark-to-Market Election for prior tax years).

A U.S. Holder that makes a Mark-to-Market Election generally also will adjust such U.S. Holder's tax basis in the Detour Gold Shares to reflect the amount included in gross income or allowed as a deduction because of such Mark-to-Market Election. In addition, upon a sale or other taxable disposition of Detour Gold Shares, a U.S. Holder that makes a Mark-to-Market Election will recognize ordinary income or ordinary loss (not to exceed the excess, if any, of (a) the amount included in ordinary income because of such Mark-to-Market Election for prior tax years over (b) the amount allowed as a deduction because of such Mark-to-Market Election for prior tax years).

A Mark-to-Market Election applies to the tax year in which such Mark-to-Market Election is made and to each subsequent tax year, unless the Detour Gold Shares cease to be "marketable stock" or the IRS consents to revocation of such election. Each U.S. Holder should consult its own tax advisor regarding the availability of, and procedure for making, a Mark-to-Market Election.

Although a U.S. Holder may be eligible to make a Mark-to-Market Election with respect to the Detour Gold Shares, no such election may be made with respect to the stock of any Subsidiary PFIC that a U.S. Holder is treated as owning, because such stock is not marketable. Hence, the Mark-to-Market Election will not be effective to eliminate the interest charge described above with respect to deemed dispositions of Subsidiary PFIC stock or distributions from a Subsidiary PFIC.

#### ***Other PFIC Rules***

Under Section 1291(f) of the Revenue Code, the IRS has issued proposed U.S. Treasury Regulations that, subject to certain exceptions, would cause a U.S. Holder that had not made a timely QEF Election to recognize gain (but not loss) upon certain transfers of Detour Gold Shares that would otherwise be tax-deferred (e.g., gifts and exchanges pursuant to corporate reorganizations). However, the specific U.S. federal income tax consequences to a U.S. Holder may vary based on the manner in which Detour Gold Shares are transferred.

Certain additional adverse rules will apply with respect to a U.S. Holder if Detour Gold is a PFIC, regardless of whether such U.S. Holder makes a QEF Election. For example under Section 1298(b)(6) of the Revenue Code, a U.S. Holder that uses Detour Gold Shares as security for a loan will, except as may be provided in U.S. Treasury Regulations, be treated as having made a taxable disposition of such Detour Gold Shares.

Special rules also apply to the amount of foreign tax credit that a U.S. Holder may claim on a distribution from a PFIC. Subject to such special rules, foreign taxes paid with respect to any distribution in respect of stock in a PFIC are generally eligible for the foreign tax credit. The rules relating to distributions by a PFIC and their eligibility for the foreign tax credit are complicated, and a U.S. Holder should consult with their own tax advisor regarding the availability of the foreign tax credit with respect to distributions by a PFIC.

The PFIC rules are complex, and each U.S. Holder should consult its own tax advisor regarding the PFIC rules and how the PFIC rules may affect the U.S. federal income tax consequences of the ownership and disposition of Detour Gold Shares.

#### ***General U.S. Federal Income Tax Consequences Related to the Ownership and Disposition of Detour Gold Shares***

The following discussion is subject to the rules described above under "PFIC Rules Related to the Ownership and Disposition of Detour Gold Shares".

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### *Distributions on Detour Gold Shares*

Subject to the PFIC rules discussed above, a U.S. Holder that receives a distribution, including a constructive distribution, with respect to a Detour Gold Share will be required to include the amount of such distribution in gross income as a dividend (without reduction for any Canadian income tax withheld from such distribution) to the extent of the current or accumulated "earnings and profits" of Detour Gold, as computed for U.S. federal income tax purposes. Subject to the paragraph below, a dividend generally will be taxed to a U.S. Holder at ordinary income tax rates. To the extent that a distribution exceeds the current and accumulated "earnings and profits" of Detour Gold, such distribution will be treated first as a tax-free return of capital to the extent of a U.S. Holder's tax basis in the Detour Gold Shares and thereafter as gain from the sale or exchange of such Detour Gold Shares. (See "Sale or Other Taxable Disposition of Detour Gold Shares" below). However, Detour Gold may not maintain the calculations of earnings and profits in accordance with U.S. federal income tax principles, and each U.S. Holder should therefore assume that any distribution by Detour Gold with respect to the Detour Gold Shares will constitute ordinary dividend income. Dividends received on Detour Gold Shares generally will not be eligible for the "dividends received deduction".

For tax years beginning before January 1, 2013, a dividend paid by Detour Gold to a U.S. Holder who is an individual, estate or trust generally will be taxed at the preferential tax rates applicable to long-term capital gains if Detour Gold is a "qualified foreign corporation" ("QFC") and certain holding period requirements for the Detour Gold Shares are met. Detour Gold generally will be a QFC as defined under Section 1(h)(11) of the Revenue Code if Detour Gold is eligible for the benefits of the U.S. Treaty or its shares are readily tradable on an established securities market in the U.S. However, even if Detour Gold satisfies one or more of these requirements, Detour Gold will not be treated as a QFC if Detour Gold is a PFIC for the tax year during which it pays a dividend or for the preceding tax year. See the section above under the heading "The Arrangement — Certain U.S. Federal Income Tax Considerations — PFIC Rules Related to the Ownership and Disposition of Detour Gold Shares".

The dividend rules are complex, and each U.S. Holder should consult its own tax advisor regarding the application of such rules.

### *Sale or Other Taxable Disposition of Detour Gold Shares*

Subject to the PFIC rules discussed above, upon the sale or other taxable disposition of Detour Gold Shares, a U.S. Holder generally will recognize capital gain or loss in an amount equal to the difference between the amount of cash plus the fair market value of any property received and such U.S. Holder's tax basis in such Detour Gold Shares sold or otherwise disposed of. Gain or loss recognized on such sale or other disposition generally will be long-term capital gain or loss if, at the time of the sale or other disposition, the Detour Gold Shares have been held for more than one year.

Preferential tax rates apply to long-term capital gain of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long-term capital gain of a U.S. Holder that is a corporation. Deductions for capital losses are subject to significant limitations under the Revenue Code.

### *Additional Considerations*

#### *Foreign Tax Credit*

A U.S. Holder that pays (whether directly or through withholding) Canadian income tax in connection with the Arrangement or in connection with the ownership or disposition of Detour Gold Shares may be entitled, at the election of such U.S. Holder, to receive either a deduction or a credit for such Canadian income tax paid. Generally, a credit will reduce a U.S. Holder's U.S. federal income tax liability on a dollar-for-dollar basis, whereas a deduction will reduce a U.S. Holder's income subject to U.S. federal income tax. This election is made on a year-by-year basis and applies to all foreign taxes paid (whether directly or through withholding) by a U.S. Holder during a tax year.

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Complex limitations apply to the foreign tax credit, including the general limitation that the credit cannot exceed the proportionate share of a U.S. Holder's U.S. federal income tax liability that such U.S. Holder's "foreign source" taxable income bears to such U.S. Holder's worldwide taxable income. In applying this limitation, a U.S. Holder's various items of income and deduction must be classified, under complex rules, as either "foreign source" or "U.S. source". Generally, dividends paid by a foreign corporation should be treated as foreign source for this purpose, and gains recognized on the sale of stock of a foreign corporation by a U.S. Holder should be treated as U.S. source for this purpose, except as otherwise provided in an applicable income tax treaty, and if an election is properly made under the Revenue Code. However, the amount of a distribution with respect to the Detour Gold Shares that is treated as a "dividend" may be lower for U.S. federal income tax purposes than it is for Canadian federal income tax purposes, resulting in a reduced foreign tax credit allowance to a U.S. Holder. In addition, this limitation is calculated separately with respect to specific categories of income. The foreign tax credit rules are complex, and each U.S. Holder should consult its own U.S. tax advisor regarding the foreign tax credit rules.

#### *Receipt of Foreign Currency*

The amount of any distribution or proceeds paid in Canadian dollars to a U.S. Holder in connection with the ownership of Detour Gold Shares, or on the sale, exchange or other taxable disposition of Detour Gold Shares, or any Canadian dollars received in connection with the Arrangement (including, but not limited to, U.S. Holders exercising Dissent Rights under the Arrangement), will be included in the gross income of a U.S. Holder as translated into U.S. dollars calculated by reference to the exchange rate prevailing on the date of actual or constructive receipt of the dividend, regardless of whether the Canadian dollars are converted into U.S. dollars at that time. If the Canadian dollars received are not converted into U.S. dollars on the date of receipt, a U.S. Holder will have a basis in the Canadian dollars equal to its U.S. dollar value on the date of receipt. Any U.S. Holder who receives payment in Canadian dollars and engages in a subsequent conversion or other disposition of the Canadian dollars may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally will be U.S. source income or loss for foreign tax credit purposes.

Each U.S. Holder should consult its own U.S. tax advisor regarding the U.S. federal income tax consequences of receiving, owning, and disposing of Canadian dollars.

#### *Additional Tax on Passive Income*

For tax years beginning after December 31, 2012, certain individuals, estates and trusts whose income exceeds certain thresholds will be required to pay a 3.8% Medicare surtax on "net investment income" including, among other things, dividends and net gain from disposition of property (other than property held in a trade or business). U.S. Holders should consult with their own tax advisors regarding the effect, if any, of this tax on their ownership and disposition of Detour Gold Shares.

#### *Information Reporting; Backup Withholding Tax*

Under U.S. federal income tax law and U.S. Treasury Regulations, certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, a foreign corporation. For example, recently enacted legislation generally imposes new U.S. return disclosure obligations (and related penalties) on U.S. Holders that hold certain specified foreign financial assets in excess of \$50,000. The definition of specified foreign financial assets includes not only financial accounts maintained in foreign financial institutions, but also, unless held in accounts maintained by a financial institution, any stock or security issued by a non-U.S. person, any financial instrument or contract held for investment that has an issuer or counterparty other than a U.S. person and any interest in a foreign entity. U.S. Holders may be subject to these reporting requirements unless their Detour Gold Shares are held in an account at a domestic financial institution. However, pursuant to recent IRS guidance, these new reporting requirements have been temporarily suspended pending release of IRS Form 8938. Additional guidance is also expected regarding the specific information that

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will be required to be reported on IRS Form 8938. Penalties for failure to file certain of these information returns are substantial. U.S. Holders should consult with their own tax advisors regarding the requirements of filing information returns under these rules, including the requirement to file an IRS Form 8938 (after such form is released) for prior tax years in which the obligation to file such form was suspended.

Payments made within the U.S. or by a U.S. payor or U.S. middleman, of (a) distributions on the Detour Gold Shares, (b) proceeds arising from the sale or other taxable disposition of Detour Gold Shares, or (c) any payments received in connection with the Arrangement (including, but not limited to, U.S. Holders exercising Dissent Rights under the Arrangement) generally may be subject to information reporting and backup withholding tax, at the current rate of 28% if a U.S. Holder (a) fails to furnish such U.S. Holder's correct U.S. taxpayer identification number (generally on Form W-9), (b) furnishes an incorrect U.S. taxpayer identification number, (c) is notified by the IRS that such U.S. Holder has previously failed to properly report items subject to backup withholding tax, or (d) fails to certify, under penalty of perjury, that such U.S. Holder has furnished its correct U.S. taxpayer identification number and that the IRS has not notified such U.S. Holder that it is subject to backup withholding tax. However, certain exempt persons generally are excluded from these information reporting and backup withholding rules. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder furnishes required information to the IRS in a timely manner. Each U.S. Holder should consult its own tax advisor regarding the information reporting and backup withholding rules.

#### **The Arrangement Agreement**

On September 25, 2011, Trade Winds and Detour Gold entered into the Arrangement Agreement, a copy of which is attached hereto as Appendix C and has been filed on SEDAR at [www.sedar.com](http://www.sedar.com). Pursuant to the Arrangement Agreement, the Parties agreed to carry out the Arrangement on the terms set out therein. The provisions of the Arrangement Agreement are the result of arm's length negotiations conducted between representatives of Trade Winds and Detour Gold.

The following description of certain material provisions of the Arrangement Agreement is a summary only, is not comprehensive and is qualified by reference to the full text of the Arrangement Agreement. Therefore, Trade Winds Shareholders should read the Arrangement Agreement carefully and in its entirety, as the rights and obligations of Trade Winds are governed by the express terms of the Arrangement Agreement and not by this summary or any other information in this Circular.

#### ***Conditions Precedent to the Arrangement***

##### ***Mutual Conditions Precedent***

The obligations of each Party to complete the transactions contemplated by the Arrangement Agreement are subject to the satisfaction of certain mutual conditions relating to, among other things:

- (a) the receipt of the Interim Order;
- (b) the approval of the Arrangement Resolution;
- (c) the receipt of the Final Order;
- (d) the occurrence of the Effective Date before December 16, 2011 (or such later date as may be agreed to by the Parties);
- (e) no Applicable Laws shall be in effect that make the consummation of the Arrangement illegal or otherwise prohibits or enjoins any Party from consummating the Arrangement;
- (f) the receipt of all required material consents, waivers, permits, orders and approvals, including that the TSX shall have conditionally approved the listing thereon of the Detour Gold Shares to be issued pursuant to the Arrangement; and

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