



**CANAGOLD RESOURCES LTD.**

1250 - 625 Howe Street  
Vancouver, British Columbia Canada V6C 2T6  
**Telephone:** 604 685-9700/Fax: 604 685-9744

**Notice of Annual General and Special Meeting of Shareholders**

**and**

**Information Circular**

**Place:** Suite 1250, 625 Howe Street  
Vancouver, British Columbia Canada

**Time:** 10 o'clock am (Pacific Time)

**Date of Meeting:** Monday, June 19, 2023



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### **NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the Annual General and Special Meeting of Shareholders of **Canagold Resources Ltd.** (the “Company”) will be held at Suite 1250, 625 Howe Street, Vancouver, British Columbia Canada, on Monday, June 19, 2023, at 10 o’clock a.m. (Pacific Time), for the following purposes:

1. To table the audited financial statements of the Company for financial years ended December 31, 2022 and 2021, together with the report of the Auditors and the management’s discussion and analysis thereon;
2. To fix the number of directors to be elected at five (5);
3. To elect Directors for the ensuing year;
4. To appoint the Auditors of the Company for the ensuing year and authorize the Directors to fix their remuneration;
5. To consider and, if thought advisable, pass an ordinary resolution to (i) ratify, confirm and approve the adoption of the Company’s Omnibus Incentive Plan, (ii) approve and authorize for grant all currently available and future award entitlements issuable under the Omnibus Incentive Plan, (iii) approve the treatment of Options granted under the original incentive plan as Options under the Omnibus Incentive Plan, and (iv) approve DSU awards under the Omnibus Incentive Plan, all as more particularly described in the accompanying Information Circular.
6. To consider, if thought fit, to approve an ordinary resolution to adopt new articles for the Company which would replace the Company’s current articles, both of which includes advance notice provisions, as more particularly described in the Information Circular.
7. To consider and, if deemed appropriate, to pass with or without variation, a non-binding advisory resolution on executive compensation, as detailed in the Information Circular.

An Information Circular accompanies this Notice. The Information Circular contains details of matters to be considered at the Meeting. No other matters are contemplated, however any permitted amendment to, or variation of, any matter identified in this Notice may properly be considered at the Meeting. The Meeting may also consider the transaction of such other business as may properly come before the Meeting or any adjournment thereof.

Shareholders of record on the Company’s books at the close of business on May 8, 2023 are entitled to attend and vote at the Meeting or at any postponement or adjournment thereof. Each common share is entitled to one vote.

The audited financial statements of the Company for financial years ended December 31, 2022 and 2021, together with the report of the Auditors and the management’s discussion and analysis thereon are available on [www.sedar.com](http://www.sedar.com) and copies of these documents will also be available at the Meeting.

**Registered shareholders who are unable to attend the Meeting in person and who wish to ensure that their shares will be voted at the Meeting are requested to complete, date and sign the enclosed form of proxy, or another suitable form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the Information Circular.**

**Non-registered shareholders who plan to attend the Meeting must follow the instructions set out in the form of proxy or voting instruction form to ensure that their shares will be voted at the Meeting. If you hold your shares in a brokerage account, you are not a registered shareholder.**

**DATED** at Vancouver, British Columbia, May 17, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed) “*Catalin Kilofliski*”

**Catalin Kilofliski**  
**Chief Executive Officer**  
LEGAL\_41248098.2



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### **INFORMATION CIRCULAR**

(Containing information as at May 8, 2023 unless indicated otherwise)

This Information Circular is furnished in connection with the solicitation of proxies by the management of **CANAGOLD RESOURCES LTD.** (the “**Company**”) for use at the annual general and special meeting (the “**Meeting**”) of its shareholders to be held on June 19, 2023 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

In this Information Circular, references to “the Company”, “we” and “our” refer to CANAGOLD RESOURCES LTD. “Common Shares” means the common shares without par value in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

#### **Solicitation of Proxies**

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

#### **Appointment of Proxyholders**

The individuals named in the accompanying form of proxy (the “Proxy”) are an officer and solicitor of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than any of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

#### **Voting by Proxyholder**

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.**

## Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders may choose one of the following options to submit their proxy:

- (a) completing, dating and signing the enclosed form of proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc. ("**Computershare**"), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to the 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 3<sup>rd</sup> Floor, 510 Burrard Street, Vancouver, British Columbia, Canada V6C 3B9;
- (b) use a touch-tone phone to transmit voting choices to a toll-free number. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll-free number, the holder's account number and the control number; or
- (c) use the internet through the website of the Company's transfer agent at [www.investorvote.com](http://www.investorvote.com). Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the control number.

In all cases the Registered Shareholder must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting, or the adjournment thereof, at which the proxy is to be used.

## Beneficial Shareholders

**The following information is of significant importance to shareholders who do not hold Common Shares in their own name.** Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In Canada the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States (the "U.S."), under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

You should carefully follow the instructions of your broker or intermediary in order to ensure that your Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada and in the United States. Broadridge mails a voting instruction form (a "**VIF**") in lieu of a Proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF to represent your Common Shares at the Meeting and that person may be you. To exercise this right, insert the name of the desired representative (which may be you), in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting voting of Common Shares to be represented at the Meeting. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with Broadridge's instructions, well in advance of the Meeting in order to have the Common Shares voted at the Meeting, or to have an alternate representative duly appointed to attend the Meeting and vote your Common Shares.**

## Notice to Shareholders in the United States

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the *Business Corporations Act* (British Columbia) (the “BCBCA”) and Canadian provincial securities laws. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Company or this solicitation, and this Information Circular has been prepared in accordance with the disclosure requirements of applicable Canadian provincial securities laws which differ from the disclosure requirements of United States federal securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the BCBCA, and all of its directors and executive officers are resident outside of the United States, with the exception of: Kadri Dagdelen. A substantial portion of the Company’s assets, and the assets of its non-U.S. directors and executive officers, are located outside the United States. Shareholders may not be able to sue a foreign company or its non-U.S. officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its non-U.S. officers and directors to subject themselves to a judgment by a United States court.

## Revocation of Proxies

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder’s authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the registered shareholder’s Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

## INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as disclosed in this Information Circular, no director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any binding matter to be acted on at the Meeting other than the election of directors and as may be set out herein.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the “Board”) of the Company has fixed May 8, 2023 as the record date (the “Record Date”) for the determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Company’s authorized capital consists of: an unlimited number of voting Common shares without par value.

All Common Shares of the Company rank equally as to dividends, voting powers and participation in assets and in all other respects. Each share carries one vote per share at meetings of the shareholders of the Company. There are no indentures or agreements limiting the payment of dividends and there are no conversion rights, special liquidation rights, pre-emptive rights or subscription rights attached to the common shares. The shares presently issued are not subject to any calls or assessments.

The Company’s Common Shares are listed and posted for trading on the Toronto Stock Exchange (the “TSX”) under stock symbol “CCM”. The Company is also listed on the OTCQB under stock symbol “CRCUF”.

As of record date, May 8, 2023, there were 136,889,394 Common Shares issued and outstanding, each carrying the right to one vote.

No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

To the knowledge of the current management of the Company, the below named company or person beneficially owned, or controlled or directed, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to the outstanding Common Shares as at May 8, 2023 Record Date:

Name	Type of Ownership	Number and Common Shares and Percentage of Common Shares <sup>1</sup>
CDS & CO NCI Account	Indirect	120,245,040 (87.84%) <sup>(1)</sup>
Sun Valley Investments AG	Direct	54,838,133 (40.06%) <sup>(2)(3)</sup>

Notes:

- (1) CDS & Co is a share depository, the beneficial ownership of which is unknown to the Company. The above information has been furnished to the Company by the Company's Transfer Agent, Computer Share Investor Services Inc.
- (2) Michael Doyle, a director of the Company, is a Partner and the Vice President of Sun Valley Investments AG. Refer to **"INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS – Related Party Transactions"** below.
- (3) Certain shares held by Sun Valley Investments AG are also recorded through CDS.

## FINANCIAL STATEMENTS

The consolidated audited financial statements of the Company for the Company's financial years ended December 31, 2022 and December 31, 2021, the report of the auditor thereon and the related management's discussion and analysis were filed under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com) on March 27, 2023 (collectively the **"Financial Statements"**), which Financial Statements will be tabled at the Meeting and which will be available at the Meeting.

## APPOINTMENT AND REMUNERATION OF AUDITOR

The management of the Company will nominate Smythe LLP, Chartered Professional Accountants, of #1700 – 475 Howe Street, Vancouver, British Columbia, V6C 3B9 to be re-appointed as auditor of the Company to hold office until the close of the next annual general meeting of shareholders and to authorize the Directors to fix their remuneration. Smythe LLP, Chartered Professional Accountants was first appointed auditor of the Company on November 20, 2008.

**Management of the Company recommends that Shareholders vote FOR the appointment and remuneration of Smythe LLP, Chartered Professional Accountants.**

## ELECTION OF DIRECTORS

### Number of Directors

There are currently five (5) directors of the Company. The Board proposes to nominate for election at the Meeting, five (5) directors. Shareholders will be asked at the Meeting to approve an ordinary resolution to fix the number of directors to be elected to the Board at five (5).

At the Meeting, Shareholders will be asked to vote on the following ordinary resolution:

**"BE IT RESOLVED** that the number of directors for election at this Meeting be fixed at five (5)"

**Management recommends the Shareholders approve the resolution to fix the number of directors of the Company at five (5). Unless otherwise indicated on the form of Proxy received by the Company, the persons designated as proxyholders in the accompanying form of proxy will vote the Common Shares represented by such form of proxy, properly executed, in favour of the resolution to fix the number of directors of the Company at five (5).**

Shareholders are being asked at the Meeting to ratify, confirm and approve the Company's new *Business Corporations Act* (British Columbia) Articles that include advance notice provisions which will replace the Advance Notice Policy. Refer to **"PARTICULARS OF MATTERS TO BE ACTED UPON – B. Adoption of New Articles"** below.

## Nominees

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is vacated earlier in accordance with the provisions of the *Business Corporations Act* (British Columbia), each director elected at the Meeting will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following table sets out the names of management's five nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, the principal occupation, business or employment of each director nominee, the period of time during which each nominee has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the date of this Information Circular.

<b>Name of Nominee; Current Position with the Company and Province or State and Country of Residence<sup>(1)</sup></b>	<b>Occupation, Business or Employment<sup>(2)</sup></b>	<b>Period as a Director of the Company</b>	<b>Shares Beneficially Owned or Controlled</b>
<b>Sofia Bianchi</b> <sup>(3),(4),(5),(6),(7)</sup> Chairman and Director Unterageri, Switzerland	Partner and CEO of Atlante Partners (since May 2016).  Refer to <b>Director Biographies</b> below	Director and Chairman Since July 19, 2022	NIL
<b>Andrew Trow</b> <sup>(3),(4),(5),(7)</sup> Director Cape Town, South Africa	Managing Director at Fresh Beverages (Pty) Ltd (since January 2015); Partner at Atlante Capital Partners (since May 2014),  Refer to <b>Director Biographies</b> below.	Since July 19, 2022	NIL
<b>Michael Doyle</b> <sup>(4),(5),(6),(7)</sup> Director and Chief Technical Officer Medellin, Columbia	Chief Technical Officer of Canagold Resources Ltd (since August 2022); Partner and Vice President of Technical Services at Sun Valley Investments (since 2016).  Refer to <b>Director Biographies</b> below.	Director and Officer Since August 9, 2022	NIL
<b>Carmen Letton</b> <sup>(3),(6),(7)</sup> Director Queensland, Australia	Managing Director at Malett Pty Ltd (since February 2022); Head of RDP and LoAP at Anglo American (from October 2018 to January 2022); Head of Open Pit Mining at Anglo American (from April 2015 to August 2018).  Refer to <b>Director Biographies</b> below.	Since July 19, 2022	NIL
<b>Kadri Dagdelen</b> <sup>(1),(5),(6)</sup> Director Colorado, USA	Professor at Colorado School of Mines (since 1992); President of Optitech Engineering Solutions (since 2005).  Refer to <b>Director Biographies</b> below.	Since July 19, 2022	NIL

### Notes:

- (1) The information as to residence and principal occupation during the past five years is not within the knowledge of the Company and has been furnished by the respective directors and officers.
- (2) Unless otherwise stated above, each of the above-named nominees has held the principal occupation or employment indicated for at least five years.
- (3) Member of Audit and Risk Committee.
- (4) Member of Compensation Committee.
- (5) Member of Governance and Nomination Committees.
- (6) Member of Technical and Investment Committees.

(7) Member of the ESS and OH&S Committee.

No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company.

A shareholder can vote for all of the above nominees, vote for some of the above nominees and withhold for other of the above nominees, or withhold for all of the above nominees. **Unless otherwise instructed, the named proxyholders will vote FOR the election of each of the proposed nominees set forth above as directors of the Company. At the Meeting the above persons will be nominated for election as director as well as any person nominated pursuant to the Advance Notice Provision (see above). Only persons nominated by management pursuant to this Information Circular or pursuant to the Advance Notice Policy will be considered valid director nominees eligible for election at the Meeting.**

#### ***Director Biographies***

##### **Sofia Bianchi, Chairman and Director**

Ms. Sofia Bianchi holds a BA in Economics from the George Washington University and an MBA from The Wharton School. Ms. Bianchi is a seasoned international finance professional with expertise in corporate governance, strategy and value creation with 13 years of board experience on multiple publicly listed and private firms. Some of Ms. Bianchi former roles include: Chair of Corporate Governance and Nominating Committee and a Member of the Audit, Technical and Remuneration Committees of Endeavour Mining, Head of Special Situations and Member of the Investment Committee for Debt and Infrastructure at the UK development finance institution, CDC Group plc, Senior Independent Director, Chair of the Remuneration and Nomination Committees and member of the Audit Committee of Kenmare Resources, an LSE- and Dublin-listed company, Head of Special Situations at BlueCrest Capital.

##### ***Kadri Dagdelen, PhD, Director***

Kadri Dagdelen is a Professional Engineer with 46 years of experience in the mining industry. He has specialized in the development and implementation of new technologies for mines, consulting to mining companies world-wide and teaching mining engineering as a Professor. Dr. Dagdelen received a BSc. in Mining Engineering in 1976, an MSc. in Mining Engineering in 1979 and a PhD. in Mining Engineering in 1985, all from the Colorado School of Mines. Dr. Dagdelen worked periodically as a mining engineer for large companies while he was earning his MSc and PhD degrees from 1977 to 1982. From 1985 to 1992, Dr. Dagdelen worked as a mining engineer for Homestake Mines, finishing his time there as Manager, Technical Services. In the 1990's and 2000's, Dr. Dagdelen focused on research and teaching at the Colorado School of Mines, where he authored 2 books, 76 publications, 48 reports and presentations, and 22 short courses, all on various aspects of mining engineering. Since 2002, Dr. Dagdelen has worked as a full Professor of Mining Engineering at the Colorado School of Mines. Since 2005, Dr. Dagdelen has also run his own technical innovation and consulting company, OptiTech, as President. Dr. Dagdelen has received several professional service awards and he is a member in good standing of the Society for Mining, Metallurgy, Exploration (SME), Mining and Metallurgical Society of America (MMSA), North American Council on Geostatistics, International Geostatistical Society Operations, Research Society of America, and the Canadian Mining and Metallurgical Institute (CIM).

##### **Michal Doyle, Director and Chief Technical Officer**

Mr. Doyle has over 35 years global experience of mining and exploration with Rio Tinto, Inmet, WardellArmstrong and Sun Valley Investments. He is a chartered engineer and senior geologist and also holds an M.Sc. in Environmental Management. Mr. Doyle has experience across exploration, feasibility studies, environmental permitting, construction, and exploitation of small to major mining projects. While at Rio Tinto, Mr. Doyle directly led the exploration team that discovered the Las Cruces high-grade copper deposit in southern Spain. Mr. Doyle is an executive at Sun Valley Investments where he is responsible for the company's existing mining operations and also for reviewing potential investments in exploration and mining projects around the world. Sun Valley currently has two high grade narrow vein underground mines in production and a third in construction. One of the mines was taken from acquisition through licensing and construction to the first gold pour in just four years.

##### **Carmen Letton, Director**

Ms. Carmen Letton holds a PhD in Mineral Economics at University of Queensland and BEng (Mining)(Hons) at WA School of Mines, Kalgoorlie. Dr. Letton is a mining engineer and mineral economist with over 35 years of global mining exposure in the Americas, Australia, Asia, Europe and Africa. Ms. Letton has diverse background in senior leadership roles in operations, business improvement, optimization and sustainable mining and extensive technical expertise in open pit and



underground mines across multiple commodities and the many stages of asset development. She was the Head of Resource Development Plan and Life Asset Plan (Asset Strategy Development) at Anglo American, and has held senior positions at BHP Billiton, Rio Tinto and Newmont. She was also a non-executive director of Endeavour Mining and Gold Fields.

**Andrew Trow, Director**

Mr. Andrew Trow is Chartered Accountant with over 15 years of experience in financial and operational restructurings, fund management in special situations, private equity and debt. He has extensive working experience in managing financial and operational turn-arounds and sale processes across various sectors, with a focus on mining and energy. He started his career at the Deloitte USA and South Africa offices. He holds a BCom (Honors) in Chartered Accountancy from University of Port Elizabeth.

**Cease Trade Orders, Bankruptcies, Penalties and Sanctions**

Except as disclosed below, within the last 10 years before the date of this Information Circular no proposed nominee for election as a director of the Company was a director or executive officer of any company (including the Company in respect of which this Information Circular is prepared) acted in that capacity for a company that was:

- (a) subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days;
- (b) subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days;
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- (d) subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) subject to any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

*Exception*

**Ms. Sofia Bianchi**

On October 10, 2019, Ms. Sofia Bianchi, the Chairman and a director of the Company, was appointed as a non-executive director of Feronia Inc. ("Feronia"), an agribusiness listed on the TSX Venture Exchange. On March 9, 2020, she stepped down from the board of Feronia. On July 23, 2020, after Ms. Bianchi resigned from the board, Feronia initiated debtor in possession insolvency proceedings under Canada's Bankruptcy and Insolvency Act. Ernst & Young Inc. was appointed to act as trustee. Feronia entered into a purchase agreement with Straight KKM 2 Limited pursuant to which it acquired substantially all of Feronia's assets. Following the sale, Feronia was declared bankrupt and voluntarily delisted from the TSX Venture Exchange.

**Majority Voting Policy**

The Board adopted a majority voting policy for the election of directors in uncontested elections. Under this policy, if a nominee does not receive the affirmative vote of at least the majority of votes cast, the director will be expected to promptly tender a resignation for consideration by the Nomination Committee and the Board. The Nomination Committee shall consider the resignation and recommend to the Board the action to be taken with respect to such offered resignation, which may include: accepting the resignation, maintaining the director but addressing what the Nomination Committee believes to be the underlying cause of the withheld votes, resolving that the director will not be re-nominated in the future for election, or rejecting the resignation and explaining the basis for such determination.

The Nomination Committee in making its recommendation, and the Board in making its decision, may consider any factors or other information they consider appropriate and relevant. Any director who tenders his resignation pursuant to the majority voting policy may not participate in the recommendation of the Nomination Committee or the decision of the Board with respect to his resignation. The Board will act on the recommendation of the Nomination Committee within 90 days after the

shareholder meeting at which the election of directors occurred. Following the Board's decision, the Company will promptly issue a press release disclosing the Board's determination (and, if applicable, the reasons for rejecting the resignation).

If the Board accepts any tendered resignation in accordance with the majority voting policy, then the Board may (i) proceed to fill the vacancy through the appointment of a new director, or (ii) determine not to fill the vacancy and instead decrease the size of the Board. If a director's resignation is not accepted by the Board, such director will continue to serve until the next annual meeting and until his successor is duly elected, or his earlier resignation or removal; alternatively, the director shall otherwise serve for such shorter time and under such other conditions as determined by the Board, considering all of the relevant facts and circumstances.

A copy of the Majority Voting Policy can be viewed on the Company's website at [www.canagoldresources.com](http://www.canagoldresources.com)

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE ELECTION OF THE ABOVE NOMINEES AS DIRECTORS.**

## **AUDIT & RISK COMMITTEE AND RELATIONSHIP WITH AUDITOR**

### **Audit & Risk Committee**

#### *The Audit Committee's Charter*

National Instrument 52-110 Audit Committees ("NI 52-110") requires that every issuer disclose certain information concerning the constitution of its audit committee and its relationship with its independent auditor. Refer to the Company's Annual Information form for financial year ended December 31, 2022 as filed under the Company's SEDAR corporate profile at [www.sedar.com](http://www.sedar.com).

#### *Audit Committee Charter*

The Company's Audit & Risk Committee Charter is attached as Schedule "A" to the Company's Annual Information form for financial year ended December 31, 2022 as filed under the Company's SEDAR corporate profile at [www.sedar.com](http://www.sedar.com)

The Audit & Risk Committee Charter is available for review on the Company's website at [www.canagoldresources.com](http://www.canagoldresources.com).

#### *Composition of the Audit & Risk Committee*

The Company's audit & risk committee is comprised of four directors, as set forth below:

Andrew Trow (Chair)    Carmen Letton    Sofia Bianchi    Kadri Dagdelen

As defined in NI 52-110, Andrew Trow, Carmen Letton, Sofia Bianchi and Kadri Dagdelen are "independent". The Company therefore meets the requirement of NI 52-110 that all audit committee members be independent.

All of the members of the audit & risk committee are financially literate as defined in NI 52-110. Refer to **Director Biographies** above.

#### *Relevant Education and Experience*

Refer to **Director Biographies** above describing the relevant education and experience of all members of the audit committee.

### ***Statement of Corporate Governance Practices***

The Canadian Securities Administrators have adopted National Instrument 58-101, *Disclosure of Corporate Governance Practices* ("NI 58-101") which requires issuers to disclose, on an annual basis, their corporate governance practices in accordance with NI 58-101. Corporate governance disclosure by the Company is set out below.

#### *The Board of Directors*

The Board currently consists of five (5) directors. Michael Doyle is not considered independent as he is Chief Technical Officer of the Company. Accordingly, a majority of the Board is independent.

Certain directors of the Company are presently directors of other issuers that are reporting issuers (or the equivalent) in any jurisdiction including foreign jurisdictions, as follows:

Director	Other Reporting Issuers
Sofia Bianchi	<ul style="list-style-type: none"> <li>• Yellow Cake Plc, non-executive director</li> <li>• Ma'aden, non-executive director</li> </ul>
Carmen Letton	<ul style="list-style-type: none"> <li>• Magnetite Mines, non-executive director</li> <li>• Technology Metals Australia, non-executive director</li> </ul>

The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. However, during the course of a directors' meeting, if a matter is more effectively dealt with without the presence of members of management, the independent directors ask members of management to leave the meeting, and the independent directors then meet *in camera*.

Sofia Bianchi is the Chair of the Board. Carmen Letton, an independent director, was appointed the Lead Director of the Board with the mandate to ensure that the Board's Agenda will enable it to successfully carry out its duties and to do so without interference from the Chairman of the Board that could result from potential conflicts.

From January 1, 2022 to December 31, 2022, the Company has held 4 Board meetings. The attendance record of the current directors at the board meetings and committee meetings held during the financial year ended December 31, 2022 is as follows:

Name of Director	Attendance at Board Meetings	Audit & Risk Committee Meetings	Compensation Committee Meetings	Governance & Nomination Committee Meetings	EHH & OH&S Committee Meeting	Technical & Investments Committee Meeting
Sofia Bianchi	4 of 4 meetings	2 of 2 meetings	N/A	1 of 1 meeting	1 of 1 meeting	1 of 1 meeting
Andrew Trow	4 of 4 meetings	2 of 2 meetings	N/A	1 of 1 meeting	1 of 1 meeting	
Michael Doyle	4 of 4 meetings		N/A	1 of 1 meeting	1 of 1 meeting	1 of 1 meeting
Carmen Letton	4 of 4 meetings	2 of 2 meetings			1 of 1 meeting	1 of 1 meeting
Kadri Dagdelen	4 of 4 meetings	2 of 2 meetings			1 of 1 meeting	1 of 1 meeting

The Board has adopted a written code for the directors, officers and employees.

A copy of our Code of Business Conduct and Ethics is available for review on the Company's website at [www.canagoldresources.com](http://www.canagoldresources.com)

### Board Mandate

The Company has a written Board Mandate. The Board is responsible for supervising management in carrying on the business and affairs of the Company. Directors are required to act and exercise their powers with reasonable prudence in the best interests of the Company. The Board agrees with and confirms its responsibility for overseeing management's performance in the following particular areas:

- the strategic planning process of the Company;
- identification and management of the principal risks associated with the business of the Company;
- planning for succession of management;

- the Company's policies regarding communications with its shareholders and others; and
- the integrity of the internal controls and management information systems of the Company.

In carrying out its mandate, the Board relies primarily on management to provide it with regular detailed reports on the operations of the Company and its financial position. The Board reviews and assesses these reports and other information provided to it at meetings of the full Board and of its committees. The Chief Executive Officer reports to the Board regularly, giving the Board direct access to information in his areas of responsibility. Other management personnel regularly attend Board meetings to provide information and answer questions. Directors also consult from time to time with management and have, on occasion, visited the properties of the Company. The reports and information provided to the Board include details concerning the monitoring and management of the risks associated with the Company's activities, such as compliance with safety standards and legal requirements, environmental issues and the financial position and liquidity of the Company. At least annually, the Board reviews management's report on its business and strategic plan and any changes with respect to risk management and succession planning.

A copy of our Board Mandate is available for review on the Company's website at [www.canagoldresources.com](http://www.canagoldresources.com)

### **Position Descriptions**

The Board has not yet developed written position descriptions for the Chairman, the chairman of any Board committees, the CEO, the President or the CFO. The Board is of the view that given the size of the Company, the relatively frequent discussions between Board members, the CEO, the President and the CFO and the experience of the individual members of the Board, the responsibilities of such individuals are known and understood without position descriptions being reduced to writing. The Board will evaluate this position from time to time, and if written position descriptions appear to be justified, they will be prepared.

### **Orientation and Continuing Education**

The Board does not have a formal policy relating to the orientation of new directors and continuing education for directors. The appointment of a new director is a relatively infrequent event in the Company's affairs, and each situation is addressed on its merits on a case-by-case basis. The Company has a relatively restricted scope of operations, and most candidates for Board positions will likely have past experience in the mining business; they will likely be familiar therefore with the operations of a resource company of the size and complexity of the Company. The Board, with the assistance of counsel, keeps itself apprised of changes in the duties and responsibilities of directors and deals with material changes of those duties and responsibilities as and when the circumstances warrant. The Board will evaluate these positions, and if changes appear to be justified, formal policies will be developed and followed.

### **Ethical Business Conduct**

The Company has adopted a Code of Business Conduct and Ethics, which is available for review on the Company's website at [www.canagoldresources.com](http://www.canagoldresources.com).

### **Nomination of Directors**

The Board has a Governance & Nomination Committee currently comprised of Sofia Bianchi (Chair) Michael Doyle, and Andrew Trow, who are independent directors. The Governance & Nomination Committee has adopted a written policy with respect to the identification and nomination of directors and executive officers (the "**Diversity Policy**"). The Diversity Policy requires that the Board consider diversity on the Board from a number of aspects, including but not limited to gender, age, ethnicity, cultural diversity and relevant experience. In addition, when assessing and identifying potential new members to join the Board or the Company's executive team, the Board shall consider the current level of diversity on the Board and the executive team. The Board has followed the Diversity Policy in considering potential candidates for election and appointment of members of the Board and the executive team.

The Governance & Nomination Committee will regularly consider the Company's Diversity Policy and the diversity needs of the Company and report to the Board as needed on the Company's advancements related to this policy. In connection with such review, the Nomination Committee will consider the effectiveness of the Company's approach to diversity and recommend to the Board, any changes that it considers appropriate. The Board continues to seek more diversity on the Board and in senior executive positions.

A copy of our Nominating Committee Charter is available for review on the Company's website at [www.canagoldresources.com](http://www.canagoldresources.com).

The Governance & Nomination Committee is also referenced under **OTHER BOARD COMMITTEES** below.

## **Compensation**

Taking into account the Company's present status as an exploration-stage enterprise, the Board reviews the adequacy and form of compensation provided to Directors on a periodic basis to ensure that the compensation is commensurate with the responsibilities and risks undertaken by an effective director.

### *Report on Executive Compensation*

The Company's compensation program is based on a pay-for-performance philosophy. The compensation program is designed to encourage, compensate and reward employees on the basis of individual and corporate performance, both in the short and the long term. Base salaries are set at levels which are competitive with the base salaries paid by companies within the mining industry having comparable capitalization to that of the Company, thereby enabling the Company to compete for and retain executives critical to the Company's long term success. Incentive compensation is directly tied to corporate and individual performance. Share ownership opportunities are provided to align the interests of executive officers with the longer-term interests of shareholders.

Compensation for each of the named executive officers, as well as for executive officers as a whole consists of a base salary, along with annual incentive compensation in the form of an annual bonus, if any, and a longer-term incentive in the form of stock options. As an executive officer's level of responsibility increases, a greater percentage of total compensation is based on performance (as opposed to base salary and standard employee benefits) and the mix of total compensation shifts towards stock options, thereby increasing the mutuality of interest between executive officers and shareholders.

The Board meets as required, but at least quarterly. The Board reviews management compensation policies and benefits, monitors management succession planning and conducts an annual review of the overall condition and quality of the Company's human resources. In addition, the Committee has the specific mandate to review and approve executive compensation. In carrying out this mandate, the Committee assesses on an annual basis the performance of the CEO against established objectives and reviews performance reports submitted for other executive officers.

### *Base Salary*

The Board approves ranges for base salaries for employees at all levels of the Company based on reviews of market data from peer groups and industry in general. The level of base salary for each employee within a specified range is determined by the level of past performance, as well as by the level of responsibility and the importance of the position to the Company.

The Company's CEO prepares recommendations for the Board with respect to the base salary to be paid to the CEO and other senior executive officers. The CEO's recommendations for base salaries for the senior executive officers, including the CEO, the President, Vice President (Exploration), Vice President (Corporate Development), Vice President and the CFO, are then submitted for approval by Compensation Committee to the Board.

### *Bonus*

The Board annually evaluates performance and may allocate an amount for payment of bonuses to executive officers and senior management. The aggregate amount for bonuses to be paid will vary with the degree to which targeted corporate performance was achieved for the year. The individual performance factor allows the Company effectively to recognize and reward those individuals whose efforts have assisted the Company to attain its corporate performance objective.

The CEO prepares recommendations to the Compensation Committee for approval by the Board with respect to any bonuses to be paid to the executive officers and to senior management.

### *Stock Options*

The Company's Share Incentive Plan was first adopted by shareholders on June 29, 2006, and ratified by the shareholders on June 25, 2013, and June 2, 2017. (the "**Original Incentive Plan**"). As of the current date there are a total of 1,775,000 outstanding options under the Original Incentive Plan.

On April 6, 2023, the Company's directors adopted resolutions approving a new Omnibus Equity Incentive Compensation Plan (the "**Omnibus Plan**") to replace the Original Incentive Plan. The Omnibus Plan is subject to receipt of shareholder approval at the meeting and TSX approval. The Omnibus Plan will be presented to the Company's shareholders for approval and ratification at the 2023 annual general meeting. The key terms of the Omnibus Plan are presented below. There is a total of 1,775,000 options outstanding under the Original Incentive Plan. There are Nil options outstanding under the Omnibus Plan. Pursuant to the Board's authority to govern the implementation and administration of the Omnibus Plan, all previously granted and outstanding stock options granted under the Original Incentive Plan, shall be governed by the provisions of the Omnibus Plan.

Refer below **PARTICULARS OF MATTERS TO BE ACTED UPON – A. Ratification of Omnibus Plan and Deferred Share Units**".

### *Directors' and Officers' Liability Insurance*

The Company has an insurance policy for itself and its directors and officers against liability incurred by them in the performance of their duties as directors and officers of the Company. In 2022, the Company renewed its policy coverage of CAD\$30,000,000 of liability for a term of one year for an annual premium of CAD\$101,200.

### **Other Board Committees**

Aside from the Audit & Risk Committee which has previously been established, the Board has established committees for Compensation and Nomination in 2011, Investment in 2017 and Technical in 2018 comprised of the following Board members and their respective mandates:

Committee	Members	Mandate
<b><u>Governance &amp; Nomination</u></b>	Sofia Bianchi (Chair) Michael Doyle Andrew Trow	<p>The Governance Committee oversees corporate disclosure practices and ensures implementation and adherence to the Company’s disclosure policy. The Disclosure Committee's responsibilities include:</p> <ul style="list-style-type: none"> <li>• maintaining an awareness and understanding of governing disclosure rules and guidelines, including any new or pending developments;</li> <li>• developing and implementing procedures to regularly review public disclosures;</li> <li>• update and correct corporate disclosure information, including information on the Internet website;</li> <li>• monitoring compliance and undertaking reviews of any violations, including assessment and implementation of appropriate consequences and remedial actions;</li> <li>• reviewing and updating as necessary and appropriate to ensure compliance with prevailing rules and guidelines; and ascertaining whether corporate developments constitute material information and, if so, ensuring compliance</li> </ul> <p>The function of the Nomination Committee is to identify individuals qualified to become board members and to select, or to recommend that the Board select the director nominees for the next annual meeting of stockholders, to oversee the selection and composition of committees of the Board, and to oversee management continuity planning processes.</p> <p>A copy of the Company’s Nominating Committee Charter is available for review on the Company’s website at <a href="http://www.canagoldresources.com">www.canagoldresources.com</a>.</p>
<b><u>Compensation</u></b>	Sofia Bianchi (Chair) Michael Doyle Andrew Trow	<p>The Compensation Committee shall advise and make recommendations to the Board in its oversight role with respect to the Company’s strategy, policies and programs on the compensation and development of senior management and directors. See “<i>Compensation Discussion and Analysis</i>” for further details about the Compensation Committee.</p> <p>A copy of the Company’s Compensation Committee Charter is available for review on the Company’s website at <a href="http://www.canagoldresources.com">www.canagoldresources.com</a>.</p>

<b>Committee</b>	<b>Members</b>	<b>Mandate</b>
<b><u>Technical &amp; Investment</u></b>	Kadri Dagdelen (Chair) Sofia Bianchi Carmen Letton	The Technical Committee is to provide technical expertise and advice to the Board with respect to strategies, opportunities, challenges, proposals, programs and budgets for mineral property acquisition, exploration, development and disposition.  The Investment Committee shall oversee and instruct the management with respect to the strategic investment of up to CAD\$1,000,000 of the Company's funds to purchase the securities of other entities for investment purposes.
<b><u>ESS &amp; OH&amp;S</u></b>	Carmen Letton (Chair) Sofia Bianchi Kadri Dagdelen Michael Doyle Andrew Trow	The function of the Environmental, Social and Sustainability ("ESS") and Occupational Health and Safety ("OH&S") Committee is to provide guidance and ensure that the Company operates at the highest standards in terms social responsibilities and follows environmental and health and safety regulations.

#### **Assessments**

The Board has no formal process for the assessment of the effectiveness and contribution of the individual directors. Each director has extensive public company experience and is familiar with what is required of him. Frequency of attendance at Board and committee meetings and the quality of participation in such meetings are two of the criteria by which the performance of a director will be assessed.

#### **Board Retirement Policy and Renewal**

The Company does not have any term limits, retirement policies or similar mechanisms in place for forcing the renewal or replacement of its directors. Each director serves for a one year term and stands for re-election by shareholders at the Company's annual general meeting each year. The Board does not have a limit on the number of consecutive terms for which a director may sit. The Board believes that Board renewal can happen naturally without imposing arbitrary age or term limits. In addition, the Board believes that effective corporate decision-making is enhanced through the continuity, experience and knowledge that come from permitting longer-term service on a Board.

#### **Policies Regarding the Representation of Women on the Board**

The Company has not adopted a written policy relating to the identification and nomination of women directors. The Company is an equal opportunity employer and believes that supporting a diverse workplace is a business essential that helps the Company and its Board attract and retain the brightest and most talented individuals in the industry. The Company believes that this diversity philosophy is well entrenched and accepted by all of its employees, including its Board, executive officers and employees generally. The Company does not believe that a written policy is necessary to further advance the Company's commitment to a diverse workplace.

#### **Consideration of the Representation of Women in the Director Identification and Selection Process**

The Board supports the principle of boardroom diversity. The Nomination Committee considers diversity (including, among other important qualifications, gender, age, geography and nationality) when reviewing qualified candidates for recommendation for election to the Board. The Board's aim is to have a broad range of approaches, backgrounds, skills and experience represented on the Board and to make appointments on merit and against objective criteria, including diversity. When the Nomination Committee engages in the nomination process, searches for potential nominees are conducted so as to put forward a diverse range of candidates, including women candidates.



## **Consideration Given to the Representation of Women in Executive Officer Appointments**

When identifying candidates for executive officer positions, the Company takes a similar approach, considering, among other factors, professional competencies, industry or other relevant experience, education, leadership style and experience, merit and personal attributes, including gender diversity, to build a strong executive team.

## **Targets Regarding the Representation of Women on the Board and in Executive Officer Positions**

The Board has not set specific targets as to the number of women board members, nor has the Board set specific targets as to the number of executive officers who are women. The Company's selection process is based on merit, having regard to the various skills, abilities, qualifications and competencies needed for the particular position, of which diversity is one of several important factors that are considered.

## **Number of Women on the Board and in Executive Officer Positions**

As of the date of this Information Circular, 2 out of 5 of the Company's Director nominees are women, and 1 out of 5 of the Company's executive team are women.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Executive Compensation**

Set out below are particulars of compensation paid to the following persons (the "Named Executive Officers" or "NEOs"):

- (a) the Company's Chief Executive Officer ("CEO");
- (b) the Company's Chief Financial Officer ("CFO");
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 *Statement of Executive Compensation*, for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

During the fiscal year ended December 31, 2022, the Named Executive Officers (the "NEOs") of the Company were: Sofia Bianchi, Chairman and director, Bradford Cooke, former Chairman and director, Catalin Kilofliski, CEO, Scott Eldridge, former CEO and director, Philip Yee, CFO, Gary D. Biles, President and Chief Operating Officer, Troy Gill, Vice President Exploration, Knox Henderson, Vice President Corporate Development, Michael Doyle, Chief Technical Officer and director, and Gregg Wilson, Vice President, Investor Relations. The Directors of the Company who were not NEOs during fiscal year ended December 31, 2022 were former directors, Martin Burian, Deepak Malhotra and Andrew Bowering and current directors, Carmen Letton, Andrew Trow and Kadri Dagdelen, Sofia Bianchi.

### ***Directors and Officers financial years, 2020, 2021 and 2022***

From January 2018 to May 2020, Mr. Jacob Margolis, PhD, was Vice President of Exploration for Canagold. In June 2020, Mr. Troy Gill was appointed Vice President of Exploration.

In July 2020, Mr. Kai Hoffmann resigned from the Board of Directors of the Canagold (the "Board"). In August 2020, Mr. Andrew Bowering was nominated to the Board of Canagold and resigned in March 2022.

In July 2021, Mr. Knox Henderson was appointed Vice President of Corporate Development.

Mr. Andrew Bowering resigned from the Board of Directors in March 2022.

At the Company's contested Annual and Special General Meeting held on July 19, 2022, shareholders voted for the election of Sofia Bianchi, Carmen Letton, Kadri Dagdelen, Andrew Trow, and Scott Eldridge as Directors for the ensuing year. Three other

nominees originally proposed by the Company, namely Bradford Cooke, Martin Burian and Deepak Malhotra, elected to resign from the Board.

In August 2022, Scott Eldridge resigned as CEO and a Director of the Company, and Catalin Kilofliski was appointed as CEO, and Michael Doyle was nominated and appointed as a director and subsequently appointed as Chief Technical Officer.

In February 2023, Philip Yee resigned as CFO and Corporate Secretary of the Company, and Mihai Draguleasa was appointed as CFO and Corporate Secretary of the Company.

At the Company's annual general meeting on June 21, 2021, Bradford Cooke, Martin Burian, Scott Eldridge, Andrew Bowering and Deepak Malhotra were re-elected to the Board of Directors for the ensuing year. Andrew Bowering resigned from the Board on March 15, 2022.

At the Company's contested Annual and Special General Meeting held on July 19, 2022, shareholders voted for the election of Sofia Bianchi, Carmen Letton, Kadri Dagdelen, Andrew Trow, and Scott Eldridge as Directors for the ensuing year. Three other nominees originally proposed by the Company, namely Bradford Cooke, Martin Burian and Deepak Malhotra, elected to resign from the Board.

The following disclosure sets out the compensation that the Board intended to pay, make payable, award, grant give or otherwise provide to each NEO and director for the financial year ended December 31, 2022.

### Summary Compensation Table

The compensation paid to the NEOs during the financial years ended December 31, 2022, 2021 and 2020 is as set out below and expressed in Canadian dollars:

Name and principal position	Year	Salary <sup>(1)</sup> (\$)	Share-based awards (\$)	Option-based awards <sup>(2)</sup> (\$)	Non-equity incentive plan compensation <sup>(3)</sup> (\$)		Pension value <sup>(5)</sup> (\$)	All other compensation <sup>(6)</sup> (\$)	Total compensation <sup>(7)</sup> (\$)
					Annual incentive plans <sup>(3)</sup>	Long-term incentive plans <sup>(4)</sup>			
<b>Bradford Cooke</b> former Chairman, former President and former Director	2022	Nil	Nil	Nil	Nil	Nil	Nil	\$4,000	\$4,000
	2021	Nil	Nil	\$191,497	Nil	Nil	Nil	\$8,000	\$199,497
	2020	Nil	Nil	\$21,400	Nil	Nil	Nil	\$4,000	\$25,400
<b>Sofia Bianchi</b> Chairman and Director	2022	Nil	Nil	Nil	Nil	Nil	Nil	\$17,282	\$17,282
	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Catalin Kilofliski</b> CEO	2022	\$90,681	Nil	Nil	Nil	Nil	Nil	Nil	\$90,681
	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Scott Eldridge</b> former CEO and former Director	2022	\$129,122	Nil	Nil	Nil	Nil	Nil	\$166,666	\$295,788
	2021	\$226,008	Nil	\$248,946	\$84,000	Nil	Nil	Nil	\$558,954
	2020	\$174,844	Nil	\$21,400	\$72,000	Nil	Nil	Nil	\$268,244

Name and principal position	Year	Salary <sup>(1)</sup> (\$)	Share-based awards (\$)	Option-based awards <sup>(2)</sup> (\$)	Non-equity incentive plan compensation <sup>(3)</sup> (\$)		Pension value <sup>(5)</sup> (\$)	All other compensation <sup>(6)</sup> (\$)	Total compensation <sup>(7)</sup> (\$)
					Annual incentive plans <sup>(3)</sup>	Long-term incentive plans <sup>(4)</sup>			
<b>Philip Yee</b> former CFO, Vice-President, Finance and Secretary	2022	\$119,432	Nil	Nil	Nil	Nil	Nil	Nil	\$119,432
	2021	\$123,082	Nil	\$114,898	\$20,000	Nil	Nil	Nil	\$257,980
	2020	\$119,401	Nil	\$8,270	\$21,769	Nil	Nil	Nil	\$149,440
<b>Garry D. Biles</b> President and COO	2022	\$134,769	Nil	Nil	Nil	Nil	Nil	Nil	\$134,769
	2021	\$86,400	Nil	\$114,898	\$25,600	Nil	Nil	Nil	\$226,898
	2020	\$86,400	Nil	\$8,270	\$28,800	Nil	Nil	Nil	\$123,470
<b>Troy Gil</b> Vice President Exploration	2022	\$140,916	Nil	Nil	Nil	Nil	Nil	Nil	\$140,916
	2021	\$140,607	Nil	\$191,497	\$42,240	Nil	Nil	Nil	\$374,344
	2020	\$77,247	Nil	\$4,350	\$23,760	Nil	Nil	Nil	\$105,357
<b>Jacob Margolis</b> Former Vice President Exploration	2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2020	\$72,326	Nil	\$8,223	Nil	Nil	Nil	Nil	\$80,549
<b>Knox Henderson<sup>(c)</sup></b> Vice President Corporate Development	2022	\$120,000	Nil	Nil	Nil	Nil	Nil	Nil	\$120,000
	2021	\$60,000	Nil	\$205,998	\$16,800	Nil	Nil	Nil	\$282,798
	2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Michael Doyle</b> Chief Technical Officer and Director	2022	\$25,000	Nil	Nil	Nil	Nil	Nil	Nil	\$25,000
	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Includes the dollar value of cash and non-cash base salary earned during a financial year covered.
- (2) The amount represents the fair value, on the date of grant and on each vesting date, as applicable, of awards made under Canagold's Stock Option Plan. The grant date fair value has been calculated using the Black Scholes Option Pricing Model in accordance with IFRS.
- (3) These amounts include annual non-equity incentive plan compensation, such as severance, bonuses and discretionary amounts for the years ended December 31.
- (4) N/A.
- (5) N/A.
- (6) These amounts cover all compensation other than amounts already set out in the table for the years ended December 31 and include directors fees, as applicable, or other stipends related to Board committee fees, if any.
- (7) These amounts include dollar value of total compensation for the covered year. This is the sum of all amounts reported in columns with footnotes 1 to 6 above for each director and officer.

## Compensation Oversight

The Compensation Committee considers the compensation including grants of equity-based compensation to directors and officers of the Company and makes recommendations to the Board for consideration.

## **Compensation Discussion and Analysis**

The Company established a Compensation Committee comprised of three independent directors. The current Compensation Committee is comprised of Sofia Bianchi (Chair), Michael Doyle and Andrew Trow., all of whom are independent directors within the meaning of National Instrument 52-110 *Audit Committee* and have direct experience in dealing with compensation matters.

The Board is of the view that the members of the Compensation Committee collectively have the knowledge, skills, experience and background to make decisions on the suitability of the Company's compensation policies and practices.

The Board is responsible for establishing and monitoring the Company's long term plans and programs for attracting, retaining, developing and motivating employees. The Board reviews recommendations for the appointment of persons to senior executive positions, considers terms of employment including succession planning and matters of compensation.

The Company's compensation policies and programs are designed to be competitive with similar mining exploration companies at a similar stage of development as the Company and to recognize and reward executive performance consistent with the success of the Company's business. The significant objectives, elements and formula for compensation to be awarded to, earned by, paid to, or payable to NEOs for the year ended December 31, 2022, were to:

- (i) attract and retain experienced and talented executive officers; and
- (ii) encourage value creation by executive officers.

The compensation program is designed to reward performance by the NEO in respect of their duties and responsibilities; to reward the attainment of the goals set for the NEO in conjunction with the strategic plan of the Company and to reward extraordinary performance beyond the goals set for the NEO.

The significant elements of compensation awarded by the Company to the NEOs are cash salary, stock options and/or annual bonuses.

### ***Cash Salary:***

The NEOs are paid a salary in order to ensure that the compensation package offered by the Company is in line with that offered by other companies in our industry, and as an immediate means of rewarding the NEO for efforts expended on behalf of the Company. The salary to be paid to a particular NEO is determined by publications of mining industry surveys and/or other available information from the mining and exploration industry. Payment of a cash salary fits within the objective of the compensation program since it rewards the NEO for performance of his or her duties and responsibilities. The payment of such salary may impact on other elements of the compensation package to a particular NEO.

The Compensation Committee reviews the compensation of senior officers and management, and provides recommendations to the Board for discussion and approvals, without any formal objectives, criteria and analysis due to the current size of the Company and the current stage of its mineral projects.

### ***Annual bonus: stock options, etc:***

The CEO reviews any proposed bonuses and stock option grants with the President, which are then submitted to the Board for review and approval. Annual bonus, if any, and stock options are not based on objective and formal measures, such as share price and E/P ratios, due to the current size of the Company and the current stage of its mineral properties. For a description of the Company's Stock Option Plan, see "*Securities Authorized for Issuance under Equity Compensation Plans*".

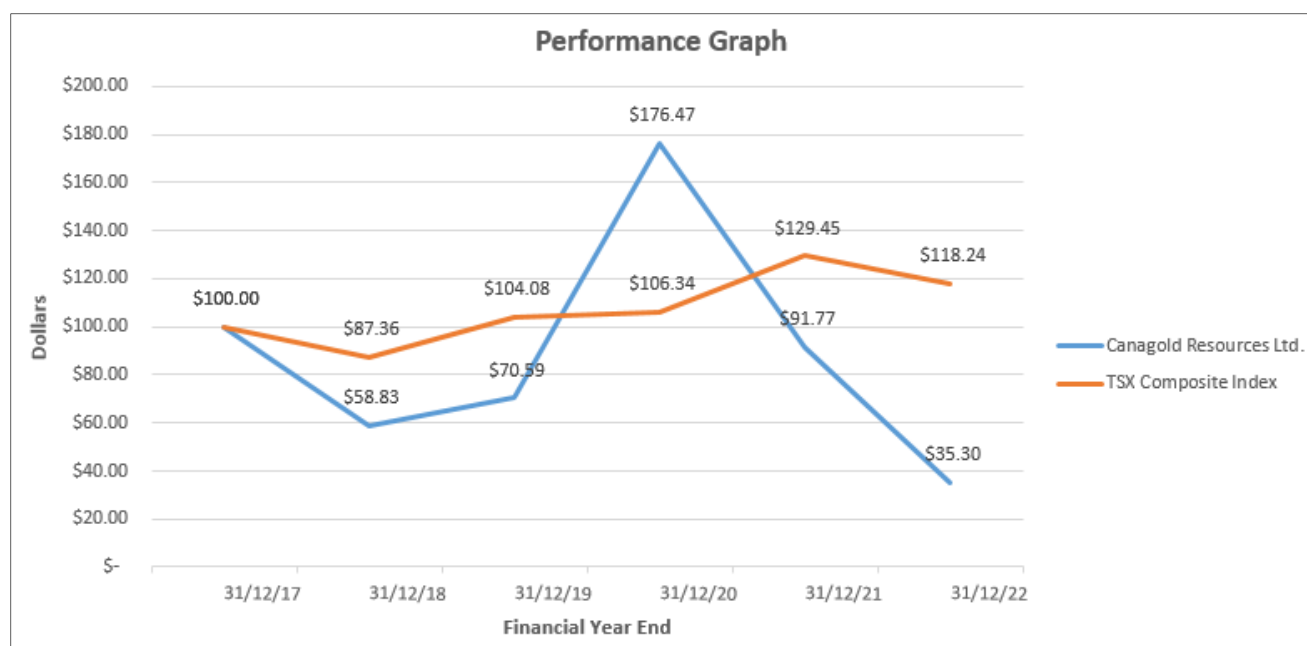
Following the year ended December 31, 2022 the Company did not take any action or make any decisions or policies that could affect a reasonable person's understanding of any NEO's compensation for the most recently completed financial year, except as disclosed in this Information Circular.

The NEO's were not given specific performance goals for the fiscal year ended December 31, 2022.

## PERFORMANCE GRAPH

The following graph below compares the yearly percentage change in the cumulative total shareholder return on the Common Shares against the cumulative total shareholder return of the Toronto Stock Exchange Composite Index for the period commencing December 31, 2017 and ending December 31, 2022.

Comparison of Total Shareholder Return on Common Shares  
of the Company and the Toronto Stock Exchange Index  
(based on Canadian Funds)



The graph assumes that the initial value of the investment on the stock exchange in the Company's Common Shares and in the index was \$100 on the initial date.

The share price of the Company has exceeded the performance of the TSX Composite Index Value over the six-year period ended December 31, 2022. This is primarily due to changes in global metals prices and financial market conditions. The Board does not believe that the difference in performance of the Common Shares in relation to the index is reflective of management's performance, and accordingly, the total compensation of the NEO's is not based upon how the Company performs in comparison to the TSX Composite Index Value.

### ***Option Based Awards***

As stated elsewhere herein, the Company has in place a 2017 Employee Incentive Stock Option Plan (the "**Plan**"). The Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the Compensation Committee. The Plan provides that options will be issued pursuant to option agreements to directors, officers, employees or consultants of the Company or a subsidiary of the Company. All options expire on a date not later than ten (10) years after the issuance of such option. Previous grants of option-based awards are taken into account when considering new grants of options. Subject to the requirements of the policies of the TSX (the "**Exchange**") and the prior receipt of any necessary regulatory approval, the Board may, in its absolute discretion, amend or modify the Plan or any outstanding option granted under the Plan, as to the provisions set out in the Plan.

The process by which the Board grants option-based awards to executive officers is:

- Options are generally granted to corporate executives in the first half of each year as part of the annual compensation review. Any special compensation is typically granted in the form of options. Options may be granted at other times of the year to individuals commencing employment with the Company. The price per share at which shares may be purchased upon the exercise of an Option will not be lower than the last recorded sale of a board lot of shares on the Exchange during the trading day immediately preceding the date of granting of the Option or, if there was no such sale, the hi/low average trading price on the Exchange for the Shares for the five trading days immediately preceding the date on which the Option is granted.
- The Board approves base salaries, annual cash incentives and stock options at the same time as it completes the annual compensation review of executive officers. Options may be granted at other times of the year to individuals commencing employment with the Company.

#### Omnibus Equity Incentive Compensation Plan

On April 6, 2023, the Company's directors adopted resolutions approving a new Omnibus Equity Incentive Compensation Plan (the "**Omnibus Plan**") to replace the Original Incentive Plan. The Omnibus Plan is subject to receipt of shareholder approval at the meeting and TSX approval. The Omnibus Plan will be presented to the Company's shareholders for approval and ratification at the 2023 annual general meeting. The key terms of the Omnibus Plan are presented below. There is a total of 1,775,000 options outstanding under the Original Incentive Plan. There are Nil options outstanding under the Omnibus Plan. Pursuant to the Board's authority to govern the implementation and administration of the Omnibus Plan, all previously granted and outstanding stock options granted under the Original Incentive Plan, shall be governed by the provisions of the Omnibus Plan.

Refer below **PARTICULARS OF MATTERS TO BE ACTED UPON – A. Ratification of Omnibus Plan and Deferred Share Units**".

#### ***Compensation Risk Assessment and Mitigation***

The Board and the Compensation Committee have considered the implications of the risks associated with the Company's compensation policies and practices. The Board and the Compensation Committee are responsible for setting and overseeing the Company's compensation policies and practices. The Board and Compensation Committee do not provide specific monitoring and oversight of compensation policies and practices of the Company but do review, consider and adjust these matters annually. The Company does not use any specific practices to identify and mitigate compensation policies that could encourage a Named Executive Officer or individual at a principal business unit or division to take inappropriate or excessive risks. These matters are dealt with on a case-by-case basis. The Company currently believes that none of its policies encourage its NEOs to take such risks. The Company has not identified any risks arising from its compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

There are no restrictions on NEOs or directors regarding the purchase of financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. For the financial year ended December 31, 2022, no NEO or director, directly or indirectly, employed a strategy to hedge or offset a decrease in market value of equity securities granted as compensation or held.

#### **Incentive Plan Awards**

##### ***Outstanding Share-based Awards and Option-based Awards***

The following table sets out all share-based awards and option-based awards outstanding as at December 31, 2022, for each NEO:

	Option-based Awards				Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
<b>Philip Yee</b> CFO, Vice-President, Finance and Secretary	300,000 <sup>(2)</sup>	\$0.50	June 24, 2026	Nil	N/A	N/A	N/A
	60,000 <sup>(2)</sup>	\$0.50	June 29, 2025	Nil	N/A	N/A	N/A
	40,000 <sup>(3)</sup>	\$0.30	June 27, 2024	Nil	N/A	N/A	N/A
	60,000	\$0.40	June 29, 2023	Nil	N/A	N/A	N/A
<b>Garry D. Biles</b> President and COO	300,000 <sup>(2)</sup>	\$0.50	June 24, 2026	Nil	N/A	N/A	N/A
	60,000 <sup>(2)</sup>	\$0.50	June 29, 2025	Nil	N/A	N/A	N/A
	40,000 <sup>(3)</sup>	\$0.30	June 27, 2024	Nil	N/A	N/A	N/A
	100,000	\$0.40	June 29, 2023	Nil	N/A	N/A	N/A
<b>Troy Gill</b> Vice President Exploration	500,000 <sup>(2)</sup>	\$0.50	June 24, 2026	Nil	N/A	N/A	N/A
	60,000 <sup>(2)</sup>	\$0.50	June 29, 2025	Nil	N/A	N/A	N/A
<b>Knox Henderson</b> Vice President Corporate Development	500,000 <sup>(2)</sup>	\$0.52	July 12, 2026	Nil	N/A	N/A	N/A

Notes:

- (1) The value of unexercised “in-the-money options” at the financial year-end is the difference between the option exercise price and the market value of the Common Shares on the Exchange on December 31, 2021.
- (2) These stock options are subject to vesting provisions in which 25% of the options vest immediately on the grant date and 25% vest every six months thereafter.
- (3) These stock options are subject to vesting provisions in which 20% of the options vest immediately on the grant date and 20% vest every six months thereafter.

### ***Employment Agreements***

Messrs. Scott Eldridge, Garry Biles, Troy Gill and Philip Yee have entered into employment agreements with the Company. Particulars of their Employment Agreements are set out herein under the heading “*Termination and Change of Control Benefits*”.

### ***Incentive Plan Awards – Value Vested or Earned During the Year***

The following table sets out all incentive plan awards (value vested or earned) during the year ended December 31, 2022, for each NEO:

Name	Option-based awards <sup>(1)</sup> (\$)		Share-based awards		Non-equity incentive plan compensation – Value earned during the year (\$)
	No. of Securities Underlying Options Vested	Value vested during the year (\$)	No. of Shares or Units of Shares Vested	Value vested during the year <sup>(2)</sup> (\$)	
<b>Scott Eldridge</b> former CEO and former Director	425,000	Nil	N/A	N/A	Nil
<b>Philip Yee<sup>(3)</sup></b> CFO, Vice-President, Finance and Secretary	460,000	Nil	N/A	N/A	Nil
<b>Garry D. Biles</b> President and COO	500,000	Nil			
<b>Troy Gill</b> Vice President Exploration	560,000	Nil	N/A	N/A	Nil
<b>Knox Henderson</b> Vice President Corporate Development	500,000	Nil	N/A	N/A	Nil

Notes:

- (1) Aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. Note that on the vesting date, the exercise price was higher than the market value of the share.
- (2) Aggregate dollar value realized upon vesting of share-based awards.
- (3) Philip Yee resigned as CFO and Corporate Secretary of the Company on February 2, 2023. Mr. Yee's stock options expired without having been exercised.

## Pension Plan Benefits

The Company does not provide pension plan benefits for its directors, officers or employees.

## Termination and Change in Control Benefits

The Company entered into employment agreements which include change of control provisions with each of Scott Eldridge, former CEO, Garry Biles, Troy Gill and Philip Yee, which agreements have been approved by the Board. The change of control provisions recognize the critical nature of these positions and the individuals involved and the requirement to protect the individuals from disruption to their employment in the event of a change of control of the Company. The change of control provisions are designed to treat the individuals in a manner consistent with industry standards for executives in similar positions.

If a change of control of the Company had occurred on December 31, 2022, the total cost to the Company of related payment to the NEOs if the NEOs were terminated within six months of the change of control is estimated at approximately CAD\$919,440. Estimated payments to individual NEOs are described below assuming mentioned events have occurred on December 31, 2022

### Scott Eldridge, Former CEO

On October 15, 2018, an Employment Agreement between the Company and Mr. Scott Eldridge was signed in respect of Mr. Eldridge's capacity as CEO for the Company (the "**Eldridge Employment Agreement**"). The Eldridge Employment Agreement provided for a base remuneration of CAD\$160,000 per annum plus a bonus based upon the achievement of performance targets as determined by the Compensation Committee of the Company. The Eldridge Employment Agreement is for a period of one year, with automatic renewal on its anniversary date for an additional one year term and contains provisions regarding base salary, short-term incentives, eligibility for benefits and security based compensation. The Eldridge Employment Agreement also contains confidentiality provisions of indefinite application. The Eldridge Employment Agreement provides that, upon termination without cause, Mr. Eldridge is entitled to receive approximately CAD\$294,000



based on an amount equal to his estimated annual salary at the time of termination, plus the amount of the previous year's annual bonus on a pro rata basis and any outstanding stock options will remain in good standing for 30 days. The Eldridge Employment Agreement provides that upon voluntary resignation, Mr. Eldridge is required to provide the Company with 60 days' written notice and to assist the Company on a best efforts basis with finding a replacement acceptable to the Board. In the event of a resignation or termination within 6 months of a change in control, Mr. Eldridge is entitled to receive approximately CAD\$294,000 based on an amount equal to his monthly salary to a maximum of 12 months at the time of termination, plus the amount which equals the amount of any annual bonus paid to Mr. Eldridge within the 12 month period prior to the time of termination. The Eldridge Employment Agreement also contains non-competition and non-solicitation clauses effective during the term of employment. On May 28, 2021, the Eldridge Employment Agreement was amended for a base remuneration of CAD\$210,000 per annum. On August 2, 2022, Mr. Eldridge resigned from the position of CEO and director.

#### **Philip Yee, Former CFO, Vice-President, Finance and Corporate Secretary**

Philip Yee initially had an employment services arrangement (the "**Prior Agreement**") whereby Philip Yee provided the Company with services as CFO of the Company, all in consideration and upon the terms as agreed to. Effective January 1, 2012, as amended June 26, 2014 and February 9, 2017, the parties entered into an Executive Employment Agreement (the "**Yee Contract**") which replaced and superseded the Prior Agreement and confirmed Mr. Yee's appointment as the CFO and Vice-President, Finance of the Company and that his services and skills may be provided to other companies that share office space with the Company including but not limited to Caza Gold Corp., Aztec Metals Corp. or other companies located on the premises, or their subsidiaries (the "**Other Entities**"), and that his salary may, in part, be paid by one of those Other Entities. The Yee Contract is for a period of one year, with automatic renewal on its anniversary date for an additional one year term and contains provisions regarding base salary, short-term incentives, eligibility for benefits and security based compensation. The Yee Contract also contains confidentiality provisions of indefinite application. The Yee Contract provides that, upon termination without cause, Mr. Yee is entitled to receive approximately CAD\$120,000 based on an amount equal to his estimated annual salary at the time of termination, plus the amount of the previous year's annual bonus and any outstanding stock options will remain in good standing for 30 days. The Yee Contract provides that upon voluntary resignation, Mr. Yee is required to provide the Company with 90 days' written notice and to assist the Company, and on a best efforts basis, with finding a replacement acceptable to the Board. In the event of a resignation or termination within 6 months of a change in control, Mr. Yee is entitled to receive approximately CAD\$240,000 based on an amount equal to twice his estimated annual salary at the time of termination, plus the amount which equals two times the amount of any annual bonus paid to Mr. Yee within the 12 month period prior to the time of termination. The Yee Contract also contains non-competition and non-solicitation clauses effective during the term of employment. On May 28, 2021, the Yee Contract was amended for a base remuneration of CAD\$100,000 per annum. On February 2, 2023, Mr. Yee resigned from his position as CFO and Corporate Secretary.

#### **Garry D. Biles, President and Chief Operating Officer**

An Executive Employment Agreement between the Company and Mr. Garry Biles was signed on January 23, 2007, as amended on June 1, 2011, January 1, 2012, June 26, 2014 and May 31, 2019, in respect of Mr. Biles' capacity as Chief Operating Officer and President for the Company (the "**Biles Employment Agreement**"). The Biles Employment Agreement provides that Mr. Biles' base remuneration is CAD\$80,000 per annum plus a bonus based upon the achievement of performance targets as determined by the Compensation Committee of the Company. In the event of a resignation or termination within 6 months of a change in control, Mr. Biles is entitled to receive approximately CAD\$211,200 based on an amount equal to twice his estimated annual salary at the time of termination, plus the amount which equals two times the amount of any annual bonus paid to Mr. Biles within the 12 month period prior to the time of termination.

#### **Troy Gill, Vice President Exploration**

An Employment Agreement between the Company and Mr. Gill was signed on June 12, 2020, in respect of Mr. Gill's capacity as Vice President of Exploration for the Company (the "**Gill Employment Agreement**"). The Gill Employment Agreement provides that Mr. Gill's base remuneration is CAD\$132,000 per annum plus a bonus based upon the achievement of performance targets as determined by the Compensation Committee of the Company. In the event of a resignation or termination within 6 months of a change in control, Mr. Gill is entitled to receive approximately CAD\$174,240 based on an amount equal to his monthly salary to a maximum of 12 months at the time of termination, plus the amount which equals the amount of any annual bonus paid to Mr. Gill within the 12 month period prior to the time of termination.

## **Knox Henderson, Vice President Corporate Development**

A Corporate Communications Agreement between the Company and Mr. Henderson was signed on July 5, 2021, in respect of Mr. Henderson's capacity as Vice President of Corporate Development for the Company (the "**Henderson Agreement**"). The Henderson Agreement provides that Mr. Henderson's base remuneration is CAD\$120,000 per annum plus a bonus based upon the achievement of performance targets as determined by the Compensation Committee of the Company.

## **Director Compensation**

### ***Director Compensation Table***

The compensation provided to the directors for the Company's most recently completed financial year ended December 31, 2022 is set out in the table below:

<b>Name<sup>(1)</sup></b>	<b>Fees earned<sup>(2)</sup> (\$)</b>	<b>Share-based Awards (\$)</b>	<b>Option-based awards<sup>(3)</sup> (\$)</b>	<b>Non-equity incentive plan compensation (\$)<sup>(4)</sup></b>	<b>Pension value (\$)</b>	<b>All other compensation<sup>(5)</sup> (\$)</b>	<b>Total (\$)</b>
<b>Bradford J. Cooke<sup>(6)</sup></b> former Chairman and former Director	Nil	Nil	Nil	Nil	Nil	\$4,000	\$4,000
<b>Martin Burian<sup>(6)</sup></b> former Director	Nil	Nil	Nil	Nil	Nil	\$4,000	\$4,000
<b>Deepak Malhotra<sup>(6)</sup></b> former Director	Nil	Nil	Nil	Nil	Nil	\$4,000	\$4,000
<b>Andrew Bowering<sup>(6)</sup></b> former Director	Nil	Nil	Nil	Nil	Nil	\$1,667	\$1,667
<b>Scott Eldridge<sup>(7)</sup></b> former CEO and former Director	\$129,122	Nil	Nil	Nil	Nil	\$166,666	\$295,788
<b>Sofia Bianci</b> Chairman and Director	\$17,282	Nil	Nil	Nil	Nil	Nil	\$17,282
<b>Carmen Letton</b> Director	\$11,370	Nil	Nil	Nil	Nil	Nil	\$11,370
<b>Andrew Trow</b> Director	\$12,734	Nil	Nil	Nil	Nil	Nil	\$12,734
<b>Kadri Dagdelen</b> Director	\$11,370	Nil	Nil	Nil	Nil	Nil	\$11,370
<b>Michael Doyle</b> Director and Chief Technology Officer	\$25,000	Nil	Nil	Nil	Nil	Nil	\$25,000

Notes:

- (1) Does not include disclosure for a director who is also an NEO unless compensation has not previously been fully disclosed herein.
- (2) Includes all fees awarded, earned, paid or payable in cash for services as a director, including annual retainer fees, committee, chair and meeting fees.
- (3) The amount represents the fair value, on the date of grant, of awards made under the Plan. The grant date fair value has been calculated using the Black Scholes Option Pricing Model in accordance with International Financial Reporting Standards.
- (4) This amount includes annual non-equity incentive plan compensation, such as severance, bonuses and discretionary amounts for the year ended December 31, 2022.
- (5) Includes all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly.

- (6) Messrs Cooke, Burian, Malhotra and Andrew Bowering resigned as officers and/or directors of the Company on July 19, 2022.
- (7) Scott Eldridge resigned as a director of the Company on August 2, 2022. Mr. Eldridge resigned as CEO of the Company on August 22, 2022.

The following table sets out all share-based awards and option-based awards outstanding as at December 31, 2022, for each former director of the Company. As of December 31, 2022, there are no outstanding options held by current directors of the Company.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
<b>Bradford J. Cooke</b> former Chairman and Director	500,000 <sup>(2)</sup>	\$0.50	June 24, 2026	Nil	N/A	N/A	N/A
	160,000 <sup>(2)</sup>	\$0.50	June 29, 2025	Nil	N/A	N/A	N/A
	100,000 <sup>(3)</sup>	\$0.30	June 27, 2024	\$9,500	N/A	N/A	N/A
	60,000 <sup>(3)</sup>	\$0.40	March 21, 2024	Nil	N/A	N/A	N/A
	120,000	\$0.40	June 29, 2023	Nil	N/A	N/A	N/A
	100,000	\$0.50	June 2, 2022	Nil	N/A	N/A	N/A
<b>Martin Burian</b> former Director	400,000 <sup>(2)</sup>	\$0.50	June 24, 2026	Nil	N/A	N/A	N/A
	80,000 <sup>(2)</sup>	\$0.50	June 29, 2025	Nil	N/A	N/A	N/A
	60,000 <sup>(3)</sup>	\$0.30	June 27, 2024	\$5,700	N/A	N/A	N/A
	80,000	\$0.40	June 29, 2023	Nil	N/A	N/A	N/A
	60,000	\$0.50	June 2, 2022	Nil	N/A	N/A	N/A
<b>Deepak Malhotra</b> former Director	400,000 <sup>(2)</sup>	\$0.50	June 24, 2026	Nil	N/A	N/A	N/A
	80,000 <sup>(2)</sup>	\$0.50	June 29, 2025	Nil	N/A	N/A	N/A
	60,000 <sup>(3)</sup>	\$0.30	June 27, 2024	\$5,700	N/A	N/A	N/A
	80,000	\$0.40	June 29, 2023	Nil	N/A	N/A	N/A
	60,000	\$0.50	June 2, 2022	Nil	N/A	N/A	N/A

	Option-based Awards				Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Andrew Bowering <sup>(4)</sup> former Director	500,000 <sup>(2)</sup>	\$0.50	June 24, 2026	Nil	N/A	N/A	N/A
	80,000 <sup>(2)</sup>	\$0.55	August 19, 2025	Nil	N/A	N/A	N/A

Notes:

- (1) The value of unexercised “in-the-money options” at the financial year-end is the difference between the option exercise price and the market value of the Common Shares on the Exchange on December 31, 2022.
- (2) The stock options are subject to vesting provisions in which 25% of the options vest immediately on the grant date and 25% vest every six months thereafter.
- (3) These stock options are subject to vesting provisions in which 20% of the options vest immediately on the grant date and 20% vest every six months thereafter.
- (4) Messrs Cooke, Burian, Malhotra and Bowering resigned as Officers and or Directors of the Company on July 19, 2022. The options granted to Messrs. Cooke, Burian, Malhotra and Bowering, expired without having been exercised.

The following table sets out all incentive plan awards (value vested or earned) during the year ended December 31, 2022, for the directors of the Company:

	Option-based awards		Share-based awards		Non-equity incentive plan compensation – Value earned during the year (\$)
	No. of Securities Underlying Options Vested	Value vested during the year <sup>(1)</sup> (\$)	No. of Shares or Units of Shares Vested	Value vested during the year <sup>(2)</sup> (\$)	
Bradford J. Cooke former Chairman and Director	168,000	Nil	N/A	N/A	Nil
Martin Burian former Director	80,000	Nil	N/A	N/A	Nil
Deepak Malhotra former Director	80,000	Nil	N/A	N/A	Nil
Andrew Bowering <sup>(3)</sup> former Director	20,000	Nil	N/A	N/A	Nil

Notes:

- (1) Aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. Note that on the vesting date, the exercise price was higher than the market value of the shares.
- (2) Aggregate dollar value realized upon vesting of share-based awards.
- (3) Messrs Cooke, Burian, Malhotra and Bowering resigned as Officers and or Directors of the Company on July 19, 2022. The options granted to Messrs. Cooke, Burian, Malhotra and Bowering, expired without having been exercised.

### Stock Options

In fiscal 2022, Canagold did not grant any stock options to directors, officers, employees and/or consultants.

### Pension Plan Benefits

The Company has no pension plans that provide for payments or benefits at, following, or in connection with the retirement of the Named Executive Officers.

## **Directors' and Officers' Liability Insurance**

The Company maintains an insurance policy with respect to directors' and officers' liability covering directors and officers of the Company and its subsidiaries as a group. The policy provides coverage to an annual limit of \$30,000,000. The annual premium for the policy period is \$101,200.

## **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

### **The Omnibus Plan**

The Company's Share Incentive Plan was first adopted by shareholders on June 29, 2006, and ratified by the shareholders on June 25, 2013, and June 2, 2017. (the "**Original Incentive Plan**"). As of the current date there are a total of 1,775,000 outstanding options under the Original Incentive Plan.

On April 6, 2023, the Company's directors adopted resolutions approving a new Omnibus Equity Incentive Compensation Plan (the "**Omnibus Plan**") to replace the Original Incentive Plan. The Omnibus Plan is subject to receipt of shareholder approval at the meeting and TSX approval. The Omnibus Plan will be presented to the Company's shareholders for approval and ratification at the 2023 annual general meeting. The key terms of the Omnibus Plan are presented below. There is a total of 1,775,000 options outstanding under the Original Incentive Plan. There are Nil options outstanding under the Omnibus Plan. Pursuant to the Board's authority to govern the implementation and administration of the Omnibus Plan, all previously granted and outstanding stock options granted under the Original Incentive Plan, shall be governed by the provisions of the Omnibus Plan.

Refer below **PARTICULARS OF MATTERS TO BE ACTED UPON – A. Ratification of Omnibus Plan and Deferred Share Units**".

*Purpose.* The purpose of the Omnibus Plan is to permit the Company to grant equity incentive awards ("**Awards**") to directors, executive officers, employees, or consultants of the Company or any of its subsidiaries ("**Eligible Participants**"), subject to certain conditions as hereinafter set forth, for the following purposes: to increase the interest in the Company's welfare of those Eligible Participants, who share responsibility for the management, growth and protection of the business of the Company or a Subsidiary; to provide an incentive to such Eligible Participants to continue their services for the Company or a Subsidiary and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Company or a Subsidiary are necessary or essential to its success, image, reputation or activities; to reward Participants (as defined in the Omnibus Plan) for their performance of services while working for the Company or a Subsidiary; and to provide a means through which the Company or a Subsidiary may attract and retain able Persons to enter its employment or service.

*Administration.* Under the Omnibus Plan, the Board will administer and interpret the Omnibus Plan, or may, at any time, appoint a committee to, among other things, interpret, administer and implement the Omnibus Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with the Omnibus Plan.

*Eligible Participants.* Under the Omnibus Plan, awards may be granted to any director, officer, employee, or consultant of the Company, or any of its Subsidiaries. For the purpose of grants of DSU's (as herein defined), only a member of the Board or a director of any Subsidiary of the Company who is not otherwise an employee or executive officer of the Company or a Subsidiary ("**Non-Employee Directors**") would be Eligible Participants.

*Number of Securities Issued or Issuable.* *Number of Securities Issued or Issuable.* Subject to the adjustment provisions provided for in the Omnibus Plan and the applicable rules and regulations of all regulatory authorities to which the Company is subject (including any stock exchange on which the securities of the Company may be listed), the total number of Common Shares reserved for issuance pursuant to the Omnibus Plan at any time shall not exceed 10% of the issued and outstanding Common Shares (on a non-diluted basis) at that time, less any awards outstanding under any other share compensation arrangement of the Company at that time. The securities that may be acquired by Participants under the Omnibus Plan shall consist of authorized but unissued Common Shares.

If an outstanding award for any reason expires or is terminated or is cancelled without having been exercised or settled in full, the same number of awards will again be available for issuance under the Omnibus Plan.

*Insider Participation Limit.* The maximum number of Common Shares issuable to Eligible Participants who are insiders as a whole, at any time, under this Omnibus Plan and any other share compensation arrangement of the Company, shall not exceed 10% of the number of issued and outstanding Common Shares from time to time; and the maximum number of Common Shares issued to Eligible Participants who are insiders as a whole under the Omnibus Plan and any other share compensation arrangement of the Company, within any one year period, shall not exceed 10% of the number of issued and outstanding Common Shares.

For the purposes of determining compliance with the above restrictions, the granting authority will take into account Common Shares reserved or issued pursuant to options together with Common Shares reserved or issued pursuant to all of the Company's security-based compensation arrangements to the extent required by applicable law and applicable rules of the TSX.

In addition to the above restrictions, the annual grant of awards under the Omnibus Plan to any one Non-Employee Director shall not exceed \$150,000 in value (based on a Black-Scholes calculation or such other similar and acceptable methodology, applied consistently and appropriately as determined by the Board), of which no more than \$100,000 may comprise of stock options.

*Exercise Price of Options.* The exercise price per Common Share for options is recommended by the Company's Board when such Option is granted, provided that the exercise price at the time of the grant must not be lower than the market value of the Common Shares at the time of the grant, where such market value shall be calculated as the volume weighted average trading price of the Common Shares on the TSX for the five trading days immediately preceding the date of grant.

*Term of Options.* The term of granted options is recommended by the Company's Board when such Option is granted and specified in the option agreement pursuant to which such option is granted, provided that the term of the option shall not be more than ten (10) years from the date the option is granted.

Should the expiration date for an option fall within a period of time when pursuant to any policies of the Company, any securities of the Company may not be traded by certain security holders designated by the Company (the "**Black-Out Period**"), or within nine (9) business days following the expiration of a Black-Out Period, such expiration date shall be automatically extended without any further act or formality to that date which is the tenth (10th) business day after the end of the Black-Out Period, such tenth (10th) business day to be considered the expiration date for such option for all purposes under the Omnibus Plan.

*Restricted Share Units ("RSUs").* RSUs granted pursuant to the Omnibus Plan is an award in the nature of a bonus for services rendered and are tied to the length of time the participant provides their services to the Company. The goal of such grants is to more closely tie awards to the length of service time provided to the Company and incentivize long term performance. RSUs do not vest until after a specified period as determined by the Board in the RSU grant.

The applicable restriction period in respect of a particular RSU shall be determined by the Board but in all cases shall end no later than December 31 of the calendar year which is three (3) years after the calendar year in which the vesting criteria for which such RSU is granted, occurred ("**Restriction Period**"). The maximum amount of RSUs that can be granted pursuant to the Omnibus Plan is 6,500,000.

The vesting determination date means the date on which the Board determines if the vesting conditions with respect to an RSU have been met (the "**RSU Vesting Determination Date**"), and as a result, establishes the number of RSUs that become vested, if any. For greater certainty, the RSU Vesting Determination Date must fall after the end of the vesting period, if any, but no later than December 15 of the calendar year which is three (3) years after the calendar year in which the vesting criteria for which such RSU is granted, occurred.

For the purposes of determining the number of Common Shares to be issued or delivered to a Participant upon settlement of RSUs, such calculation will be made on the settlement date based on the whole number of Common Shares equal to the whole number of vested RSUs then recorded in the Participant's Account to settle in Common Shares.

Dividend equivalents may, as determined by the Board in its sole discretion, be awarded in respect of unvested RSUs in a Participant's Account on the same basis as cash dividends declared and paid on Common Shares as if the Participant was a shareholder of record of Common Shares on the relevant record date. Dividend equivalents, if any, will be credited to the Participant's Account in additional RSUs, the number of which shall be equal to a fraction where the numerator is the product of (i) the number of RSUs in such Participant's Account on the date that dividends are paid multiplied by (ii) the dividend paid per Common Share and the denominator of which is the market value of one Common Share calculated on the date that dividends are paid.

*Deferred Share Units ("DSUs").* A DSU is a unit that vests immediately upon grant but does not settle until a future date, generally as established in the DSU award agreement, and is payable after termination of service. Each DSU awarded shall entitle the Participant to one Common Share, or the amount of money equal to the market value multiplied by the number of Vested DSUs, in the Participant's account, net of any applicable taxes (the "**Cash Equivalent**"), or a combination thereof, as determined pursuant to the Omnibus Plan. Pursuant to the Omnibus Plan, DSU's can be granted as an award attributable to an Eligible Participant's duties as a non-employee director. The maximum amount of DSUs that can be granted pursuant to the Omnibus Plan is 2,500,000.

Notwithstanding the Board's discretion to award DSUs to a Participant as the Board deems advisable, each Participant may elect to receive in DSUs any portion or all of his or her annual base compensation by completing and delivering a written

election to the Company on or before November 15<sup>th</sup> of the calendar year ending immediately before the calendar year with respect to which the election is made. Such election will be effective with respect to compensation payable for fiscal quarters beginning during the calendar year following the date of such election.

A Participant may receive their Common Shares, or Cash Equivalent, or a combination thereof, to which such Participant is entitled upon termination of service, by filing a redemption notice on or before December 15 of the first calendar year commencing after the date of the Participant's termination of service. If a request is made by the Participant for settlement through a cash amount, then the Company must comply with the request and issue a payment of cash equal to the Cash Equivalent. Notwithstanding the foregoing, if the Company in its discretion decides it currently has insufficient capital resources available to satisfy the Participant's request, the Company shall not be required to issue a cash payment. In this regard, such DSUs may be settled through the issuance of Common Shares or a combination of a cash settlement and issuance of Common Shares.

Dividend equivalents may, as determined by the Board in its sole discretion, be awarded in respect of DSUs in a Participant's Account on the same basis as cash dividends declared and paid on Common Shares as if the Participant was a shareholder of record of Common Shares on the relevant record date. Dividend equivalents, if any, will be credited to the Participant's Account in additional DSUs, the number of which shall be equal to a fraction where the numerator is the product of (i) the number of DSUs in such Participant's Account on the date that dividends are paid multiplied by (ii) the dividend paid per Common Share and the denominator of which is the market value of one Common Share calculated on the date that dividends are paid.

*Performance Share Units ("PSUs").* PSUs granted pursuant to the Omnibus Plan are used as a means of providing compensation to participants for meeting certain performance goals. Participants are thus incentivized to meet their specific or Company focused performance goals. PSU's shall vest on an entitlement date as determined by the Board and evidenced in any such PSU agreement (the "**Entitlement Date**"). A Participant will have no right or entitlement whatsoever to receive Common Shares until the Entitlement Date. The maximum amount of PSUs that can be granted pursuant to the Omnibus Plan is 1,000,000.

Dividend equivalents may, as determined by the Board in its sole discretion, be awarded in respect of PSUs in a Participant's Account on the same basis as cash dividends declared and paid on Common Shares as if the Participant was a shareholder of record of Common Shares on the relevant record date. Dividend equivalents, if any, will be credited to the Participant's Account in additional PSUs, the number of which shall be equal to a fraction where the numerator is the product of (i) the number of PSUs in such Participant's Account on the date that dividends are paid multiplied by (ii) the dividend paid per Common Share and the denominator of which is the market value of one Common Share calculated on the date that dividends are paid.

*Transferability.*

#### Transfer Restrictions

Unless otherwise provided in the instrument of grant evidencing an award, no award, and no rights or interests therein, shall or may be assigned, transferred, sold, exchanged, encumbered, pledged, or otherwise hypothecated or disposed of other than by will or the laws of succession of the domicile of the deceased participant.

#### Options

Upon a Participant ceasing to be an Eligible Participant by reason of termination for cause, any vested or unvested Option granted to such Participant shall terminate automatically and become void immediately. Termination for cause shall include, among other things, gross misconduct, theft, fraud, breach of confidentiality or breach of the Company's codes of conduct and any other reason determined by the Company to be cause for termination. Should a Participant cease to be an Eligible Participant by reason of termination without cause, (i) any unvested Option granted to such Participant shall terminate and become void immediately and (ii) any vested Option granted to such Participant may be exercised by such Participant. Unless otherwise determined by the Board, in its sole discretion, such Option shall only be exercisable within the earlier of ninety (90) days after the date of termination (the "**Termination Date**"), or the expiry date of the Option set forth in the Option grant agreement, after which the Option will expire.

Upon a Participant ceasing to be an Eligible Participant as a result of his or her resignation from the Company or a Subsidiary, (i) each unvested Option granted to such Participant shall terminate and become void immediately upon resignation and (ii) each vested Option granted to such Participant will cease to be exercisable on the earlier of the thirty (30) days following the Termination Date and the expiry date of the Option set forth in the Option grant Agreement, after which the Option will expire.

Upon a Participant ceasing to be an Eligible Participant by reason of Retirement (as defined herein) or permanent disability, (i) any unvested Option shall terminate and become void immediately, and (ii) any vested Option will cease to be exercisable

on the earlier of the ninety (90) days from the date of Retirement or the date on which the Participant ceases his or her employment or service relationship with the Company or any Subsidiary by reason of permanent disability, and the expiry date of the Option set forth in the Option grant agreement, after which the Option will expire.

Upon a Participant ceasing to be an Eligible Participant by reason of death, any vested Option granted to such Participant may be exercised by the liquidator, executor or administrator, as the case may be, of the estate of the Participant for that number of Common Shares only which such Participant was entitled to acquire under the respective options (the “**Vested Awards**”) on the date of such Participant’s death. Such Vested Awards shall only be exercisable within twelve (12) months after the Participant’s death or prior to the expiration of the original term of the options whichever occurs earlier.

#### RSUs

Except as otherwise determined by the Board from time to time, at its sole discretion, upon a Participant ceasing to be an Eligible Participant as a result of (i) death or disability, (ii) ceasing to be an Eligible Participant after the age of 65 years old, or 55 years old and the Participant’s age plus number of years of continuous service is not less than a total of 70 years (“**Retirement**”), (iii) termination for reasons other than for just cause, (iv) his or her employment or service relationship with the Company or a Subsidiary being terminated by reason of injury or disability, or (v) becoming eligible to receive long-term disability benefits, all unvested RSUs in the Participant’s Account as of such date relating to a Restriction Period in progress shall be terminated.

#### DSUs

Upon a Participant ceasing to be an Eligible Participant by reason of death, the Company will, subject to certain provisions in the Omnibus Plan, make payment of the settlement amount of any DSUs within two months of the Participant’s death to or for the benefit of the legal representative of the deceased Participant.

#### PSUs

Except as otherwise determined by the Board from time to time, at its sole discretion, a Participant’s Entitlement Date in relation to PSUs will be accelerated as follows: (i) in the event of the death of the Participant, the Participant’s Entitlement Date will be the date of death; and (ii) in the event of the total disability of the Participant, the Participant’s Entitlement Date will be the date on which the Participant becomes totally disabled.

In respect of Retirement or a Participant ceasing to be an Eligible Participant after attaining the age of 55 years old and the Participant’s age plus number of years of continuous service is not less than a total of 65 years (“**Early Retirement**”), unless determined otherwise by the Board, a Participant’s Entitlement Date will be determined as follows: (i) in the event of Retirement of the Participant, the Participant’s Entitlement Date will not be altered; and (ii) in the event of Early Retirement of the Participant, the Participant’s Entitlement Date will be accelerated on a pro-rata basis calculated by dividing the number of months that have elapsed between the applicable date of grant and the date of Retirement by the total number of months between the date of Grant and the Entitlement Date.

*Procedure for Amending.* The Board may from time to time, in its absolute discretion and without approval of the shareholders of the Company (unless such approval is required by a regulatory authority, including a stock exchange), amend any provision of this Omnibus Plan or any Award, subject to any regulatory or stock exchange requirement at the time of such amendment, including, without limitation: (i) any amendment to the general vesting provisions, if applicable, of the Omnibus Plan or of the Awards; (ii) any amendment regarding the effect of termination of a Participant’s employment or engagement; (iii) any amendment which accelerates the date on which any Option may be exercised under the Omnibus Plan; (iv) any amendment necessary to comply with applicable law or the requirements of the TSX or any other regulatory body; (v) any amendment of a “housekeeping” nature, including to clarify the meaning of an existing provision of the Omnibus Plan, correct or supplement any provision of the Omnibus Plan that is inconsistent with any other provision of the Omnibus Plan, correct any grammatical or typographical errors or amend the definitions in the Omnibus Plan; (vi) any amendment regarding the administration of the Omnibus Plan; (vii) any amendment to add provisions permitting the grant of Awards settled otherwise than with Common Shares issued from treasury, a form of financial assistance or clawback, and (viii) any amendment to a provision permitting the grant of Awards settled otherwise than with Common Shares issued from treasury, a form of financial assistance or clawback which is adopted; and any other amendment that does not require the approval of the shareholders of the Company pursuant to the Omnibus Plan.

Notwithstanding the foregoing, no amendment shall alter or impair the rights of any Participant, without the consent of such Participant except as permitted by the provisions of the Omnibus Plan. The Board shall be required to obtain shareholder approval to make the following amendments: (i) any increase to the maximum number of Common Shares issuable under the Omnibus Plan, except in the event of an adjustment; (ii) any amendment that extends the term of options beyond the original expiry date; (iii) any amendment which extends the expiry date of any Award, or the Restriction Period, or the period of time during which the assigned performance criteria must be met in order to determine the degree of payout and/or vesting with



respect to an Award (the “**Performance Period**”) of any RSU beyond the original expiry date or Restriction Period or Performance Period; (iv) except in the case of an adjustment, any amendment which reduces the exercise price of an option or any cancellation of an option and replacement of such option with an option with a lower exercise price; (v) any amendment which increases the maximum number of Common Shares that may be issuable to insiders at any time or issued to insiders under the Omnibus Plan and any other proposed or established security based compensation arrangement in a one-year period, except in case of an adjustment; (vi) any amendment to the definition of an Eligible Participant under the Omnibus Plan; and; (vii) any amendment to the amendment provisions of the Omnibus Plan.

*Financial Assistance.* Unless otherwise determined by the Board, the Company does not provide financial assistance to participants to facilitate the purchase of Common Shares upon the exercise of any award granted under the Omnibus Plan.

*Adjustments to Shares.* In the event of (i) any subdivision of the Common Shares into a greater number of Common Shares, (ii) any consolidation of Common Shares into a lesser number of Common Shares, (iii) any reclassification, reorganization or other change affecting the Common Shares, (iv) any merger, amalgamation or consolidation of the Company with or into another corporation, or (iv) any distribution to all holders of Common Shares or other securities in the capital of the Company, of cash, evidences of indebtedness or other assets of the Company (excluding an ordinary course dividend in cash or shares, but including for greater certainty shares or equity interests in a subsidiary or business unit of the Company or one of its subsidiaries or cash proceeds of the disposition of such a subsidiary or business unit) or any transaction or change having a similar effect, then the Board shall in its sole discretion, subject to the required approval of the TSX, determine the appropriate adjustments or substitutions to be made in such circumstances in order to maintain the economic rights of the Participant in respect of such Award in connection with such occurrence or change, including, without limitation:

- (a) adjustments to the exercise price of such Award without any change in the total price applicable to the unexercised portion of the Award;
- (b) adjustments to the number of Common Shares to which the Participant is entitled upon exercise of such Award; or
- (c) adjustments to the number or kind of Common Shares reserved for issuance pursuant to the Plan.

*Change of Control.* In the event of a potential Change of Control, as defined in the Omnibus Plan, the Board shall have the power, in its sole discretion, to modify the terms of the Omnibus Plan and/or the Awards to assist the Participants to tender into a take-over bid or to participate in any other transaction leading to a Change of Control. If the Company completes a transaction constituting a Change of Control and within twelve (12) months following the Change of Control (i) a Participant who was also an officer or employee of, or consultant to, the Company prior to the Change of Control has their position, employment or consulting agreement terminated, or the Participant is constructively dismissed, or (ii) a Non- Employee Director ceases to act in such capacity, then all unvested RSUs shall immediately vest and shall be paid out, and all unvested options shall vest and become exercisable. Any options that become exercisable pursuant to the Change in Control shall remain open for exercise until the earlier of their expiry date as set out in the award agreement and the date that is 90 days after such termination or dismissal.

A copy of the Omnibus Plan is attached as Schedule “A” to this Information Circular.

## Securities Authorized for Issuance

The following table sets out the Company's Original Incentive Plan as defined above in this Information Circular as at the end of the financial year ended December 31, 2022: The Company is seeking shareholder approval at the Meeting to ratify, confirm and approve the adoption of the Company's Omnibus Plan – Refer below to “**PARTICULARS OF MATTERS TO BE ACTED UPON – Ratification of Omnibus Plan and Deferred Share Units**” in this Information Circular.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, under equity compensation plans (a)</b>	<b>Weighted-average exercise price of outstanding options (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Original Incentive Plan approved by securityholders	2,235,000	\$0.49	6,700,825
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	<b>2,235,000<sup>(1)</sup></b>		<b>6,700,825<sup>(2)</sup></b>

Notes:

(1) As at December 31, 2022, this represents 1.63 % of the issued and outstanding Common Shares.

(2) As at December 31, 2022, this represents 4.89% of the issued and outstanding Common Shares.

## Burn Rate

Burn rate measures the annual usage of the Company's shares for incentive purposes. The burn rate for the Company's 2017 Share Option Plan in existence during the three fiscal years, December 31, 2022, December 31, 2021 and December 31, 2020. The burn rate for a period is calculated by dividing the number of equity based securities granted under the during that period by the weighted average number of Common Shares outstanding during that period.

<b>For the Financial Year Ended December 31, 2022</b>	<b>Number of Options Granted</b>	<b>Weighted-average Common Shares Outstanding</b>	<b>Percentage</b>
2022	Nil	89,358,246	Nil
2021	4,315,000	72,717,550	5.93%
2020	840,000	52,298,078	1.61%

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than disclosed in this Information Circular, at no time during the Company's last completed financial year, was any director, executive officer, employee, proposed management nominee for election as a director of the Company nor any associate of any such director, executive officer, or proposed management nominee of the Company or any former director, executive officer or employee of the Company or any of its subsidiaries, indebted to the Company or any of its subsidiaries or indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, other than routine indebtedness.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as noted in this Information Circular, within the three most recently completed financial years ended December 31, 2022 and up to the date of this Information Circular, none of the following:

- (a) director or executive officer of the Company;
- (b) a person or company that is direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of any class or series of outstanding voting securities of the Company; and
- (c) an associate or affiliate of any of the persons or companies referred to in the above paragraphs (a) or (b),

has any material interest, direct or indirect, in any transaction that has materially affected or is reasonably expected to materially affect the Company to the best of the Company's knowledge.

### Related Party Transactions

Key management includes directors (executive and non-executive) and senior management. The compensation paid or payable to key management is disclosed in the table below.

	Years ended December 31,			Net balance receivable (payable)	
	as at December 31,				
	2022	2021	2020	2022	2021
Key management compensation:					
Executive salaries and remuneration <sup>(1)</sup>	\$ 647	\$ 567	\$ 562	\$ 106	\$ 126
Severance	191			-	-
Directors fees	70	26	33	57	-
Share-based payments	154	929	148	-	-
	1,062	1,522	743	163	126
Net office, sundry, rent and salary allocations recovered from (incurred to) comp any sharing a common director <sup>(2)</sup>	\$ 1	\$ 8	\$ 5	\$ 1	\$ 1

<sup>(1)</sup> Includes key management compensation which is included in employee and director remuneration, mineral property interests, and corporate development.

<sup>(2)</sup> The company is Aztec Minerals Corp., which shared one common director until July 2022.

The above transactions are incurred in the normal course of business.

### Loans Payable

On June 18, 2022, the Company arranged a loan for CAD\$25,000 from a company controlled by a former director. The loan bore interest at a rate of 9% per annum, and the entire loan was fully repaid on July 14, 2022 along with interest of CAD\$99.

On August 15, 2022, the Company entered into a Bridge Loan Agreement with Sun Valley Investments AG ("Sun Valley"), which is currently a 40.05% control person of the Company. The bridge loan was applied as an advance payment for the standby guaranty for the rights offering loan described below:

### Rights Offering and Sun Valley

In November 2022, the Company proceeded with a rights offering whereby shareholders of the Company received one right for each common share held. Each two rights entitled holders to subscribe for one common share at a price of CAD\$0.175. The Company closed the offering on December 16, 2022 and issued 25.3M common share for total gross proceeds of CAD\$4.4 million. The Company also entered into a standby guaranty agreement with Sun Valley Investments AG (“Sun Valley”) whereby Sun Valley shall purchase common shares issuable under the rights offering which remain unsubscribed under the basic subscription privilege and the additional subscription privilege. In August 2022, the Company obtained a bridge loan of CAD\$2.5 million from Sun Valley as an advance payment for the standby guaranty. Pursuant to the standby guaranty agreement, the Company issued 20.4M common shares to Sun Valley. From the CAD\$3.6 million gross proceeds received from Sun Valley, the Company deducted a total of CAD\$2.5 million to pay back and terminate the \$2.5M loan provided by Sun Valley in August 2022 plus accrued interest of CAD\$46,336, and a total of CAD\$178,085 in fees pursuant to the standby guaranty agreement.

Michael Doyle is a Partner and Vice President of Technical Services for Sun Valley and, as of August 9, 2022, is a director and Chief Technology Officer of the Company. Sun Valley and its beneficial owners, do not have any material interest, directly or indirectly, in any transaction that has materially affected or will materially affect the Company to the best of the Company’s knowledge, except as disclosed in this Information Circular.

Other than set out above, this Information Circular, briefly describes (and, where practicable, states the approximate amount) of any material interest, direct or indirect, of any informed person of the Company, any proposed director of the Company, or any associate or affiliate of any informed person or proposed director, in any transaction since the commencement of the Company’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

### **MANAGEMENT CONTRACTS**

Except as set out herein, there are no management functions of the Company which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

### **PARTICULARS OF MATTERS TO BE ACTED UPON**

#### **A. Ratification of Omnibus Plan and Outstanding Options and Deferred Share Units**

As referenced above, the Company’s Board adopted an Omnibus Plan on April 6, 2023. The Omnibus Plan will be presented to the Company’s shareholders for approval and ratification at the Meeting. Also as referenced above, the Omnibus Plan will replace the Company’s Original Incentive Plan.

The maximum number of Common Shares that may be reserved for issuance under the Omnibus Plan at any point in time is 10% of the outstanding Common Shares less any awards outstanding under any other share compensation arrangement of the Company at that time. Any award granted under the Omnibus Plan shall be subject to the requirement that, if at any time the Company shall determine that the listing, registration or qualification of the Common Shares subject to such award, if applicable, upon any stock exchange or under any law or regulation of any jurisdiction, or the consent or approval of any stock exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant of such awards or exercise of any Option or the issuance or purchase of Common Shares thereunder, if applicable, such award may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board.

Shareholders will be asked to pass an ordinary resolution of shareholders, with or without variation, to i) ratify, confirm and approve the adoption of the Company’s Omnibus Plan, (ii) approve the treatment of options granted under the Original Incentive Plan as options under the Omnibus Plan, (iii) approve DSU awards granted under the Omnibus Plan and (iii) approve and authorize for grant all currently available and unallocated award entitlements issued under the Omnibus Plan.

### **INCENTIVE PLAN AWARDS**

#### Incentive Stock Options

As of the financial year ended December 31, 2022, the Company granted a total of 2,235,000 options under the Company’s Original Incentive Plan defined above in this Information Circular, as follows:

Name of Optionee	Position with Company Officer/Director/Consultant	Number of Options	Exercise Price	Date of Grant	Expiry Date	Number Outstanding Options as of May 8, 2023
Garry Biles	President and COO	100,000	\$0.40	June 29, 2018	June 29, 2023	100,000
		40,000	\$0.30	June 27, 2019	June 27, 2024	40,000
		60,000	\$0.50	June 29, 2020	June 29, 2025	60,000
		300,000	\$0.50	June 24, 2021	June 24, 2026	300,000
Philip Yee <sup>(1)</sup>	Former CFO and Corporate Secretary	60,000	\$0.40	June 29, 2018	June 19, 2023	Nil
		40,000	\$0.30	June 27, 2019	June 27, 2023	Nil
		60,000	\$0.50	June 29, 2020	June 29, 2025	Nil
		300,000	\$0.50	June 24, 2021	June 24, 2026	Nil
Troy Gill	Vice President (Exploration)	60,000	\$0.50	June 29, 2020	June 29, 2025	60,000
		500,000	\$0.50	June 29, 2020	June 24, 2026	500,000
Knox Henderson	Vice President (Corporate Development)	500,000	\$0.52	July 12, 2021	July 12, 2026	500,000
Red Cloud Financial Services Inc.	Consultant	215,000	\$0.52	July 12, 2021	July 12, 2023	215,000
<b>TOTALS</b>		<b>2,235,000</b>				<b>1,775,000</b>

Notes:

- (1) Philip Yee resigned as CFO and Corporate Secretary of the Company on February 2, 2023. Mr. Yee's stock options expired without having been exercised.
- (2) As at December 31, 2022, there were 2,235,000 Options outstanding representing 1.63% of the issued and outstanding Common Shares. As of May 8, 2023, there were 1,775,000 Options outstanding.
- (3) The maximum number of Common Shares that may be subject to options granted and outstanding thereunder at any time shall not exceed 10% of the total issued and outstanding Common Shares, which at December 31, 2022 was 1.63% of the 136,889,294 outstanding Common Shares and 1.296% of 136,889,394 outstanding Common Shares at May 8, 2023.

The Company records compensation expense for the fair value of the stock options granted using the Black-Scholes option pricing model. This model determines the fair value of stock options granted and amortizes it to earnings over the vesting period.

Deferred Share Unit awarded to Insiders under Omnibus Plan

On April 6, 2023, the Board granted deferred share units under the terms of the Omnibus Plan, subject to Toronto Stock Exchange and shareholder approval, as follows:

Name	Position with the Company	Number of Deferred Share Units <sup>(1)</sup>
Sofia Bianchi	Director	501,961
Andrew Trow	Director	345,098
Carmen Letton	Director	345,098
Kadri Dagdelen	Director	345,098
<b>TOTAL</b>		<b>1,537,255</b>

Note:

- (1) Represents 1.12% of the 136,889,394 Common Shares outstanding as of May 8, 2023.

Shareholder Vote

To pass, the resolution must be approved by a majority vote of the shares voted, in person or proxy, on the resolution.

A copy of the Company's Omnibus Plan is attached as Schedule "A" to this Information Circular and will be available for review by any shareholder at the Meeting.

Omnibus Plan Resolution

**BE IT RESOLVED AS AN ORDINARY RESOLUTION , WITH OR WITHOUT VARIATION THAT:**

- 1) the Company's Omnibus Plan attached as Schedule "A" to the Company's Information Circular dated May 17, 2023, be and is hereby approved and adopted;
- 2) subject to all required regulatory approvals, including the approval of the Toronto Stock Exchange and shareholder approval, the Omnibus Plan be approved, and that the Omnibus Plan be forthwith adopted and implemented by the Company, with such further deletions, additions and other amendments as are required by any securities regulatory authority or which are not substantive in nature and the Chief Executive Officer of the Company deems necessary or desirable;
- 3) the Board (or such other committee the Board may appoint), be and is hereby appointed to be the Administrator under the Omnibus Plan and such appointment to be effective until revoked by resolution of the Board;
- 4) the outstanding options of the Company granted under the Original Incentive Plan, shall, for the purpose of calculating the number of stock options that may be granted under the Omnibus Plan, be treated as options granted under the Omnibus Plan;
- 5) the outstanding Deferred Share Units that have been awarded under the Omnibus Plan, shall, for the purpose of calculating the maximum number of Deferred Share Units, be treated as Deferred Share Units awarded under the Omnibus Plan;
- 6) the maximum number of Shares issuable to insiders of the Company under security-based compensation arrangements, including Options, Restricted Share Units, Deferred Share Units and Performance Share Units, at any time cannot exceed 10% of the issued and outstanding Common Shares without disinterested shareholder approval;
- 7) the directors and officers of the Company be authorized and directed to perform all acts and deeds and things and execute, under seal of the Company, or otherwise; all such documents, agreements and other writings as may be required to give effect to the true intent of these resolutions;

- 8) all currently available and unallocated options issuable pursuant to the Omnibus Plan, are hereby approved and authorized for grant until June 19, 2026;
- 9) the Company have the ability to continue granting options and other compensation securities under the Omnibus Plan on a 10% rolling basis of the issued and outstanding Common Shares; and
- 10) notwithstanding approval of the shareholders of the Company as herein provided, the Board may, in its sole discretion, revoke this resolution before it is acted upon without further approval of the shareholders of the Company.”

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE ORDINARY RESOLUTION TO THE OMNIBUS PLAN RESOLUTION, AND, UNLESS THE SHAREHOLDER HAS IN THE PROXY THAT HIS OR HER COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.**

**B. Adoption of New Articles**

Due to clarifications required to the existing articles of the Company (the “**Existing Articles**”), management of the Company wishes to adopt new Articles (“**New Articles**”) to replace the Existing Articles. The primary deletions and/or additions to the New Articles refine a number of “housekeeping” primary provisions to principally reflect the provisions of the *Business Corporations Act* (British Columbia) that modernize British Columbia corporate legislation which provide greater flexibility to the Board in carrying out the business of the Company. Shareholders are being asked at the Meeting to ratify and confirm the adoption of the New Articles of the Company by way of ordinary resolution.

The Company’s Existing Articles” can be accessed on the Company’s SEDAR at [www.sedar.com](http://www.sedar.com).

The primary deletions and/or additions to the Company’s New Articles from that of the Company’s Existing Articles are set out below:

*Uncertificated Securities*

Certain sections to the New Articles have been added to ensure that confirmation is sent to each holder of an uncertificated share by written notice to the shareholder pursuant to the current provisions of the *Business Corporations Act* (British Columbia). The amendments modernize the Company’s corporate charter to permit the use of uncertified shares and electronic trading and to ensure the Company’s corporate charter facilitates the use of uncertificated Shares and electronic record keeping systems.

The material changes which are reflected in the New Articles under this Article provision include the following:

1. If the shares of which a shareholder is the registered owner are not uncertificated shares, such shareholders will be entitled to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder’s name, or (b) a non-transferable written acknowledgement of the shareholder’s right to obtain such a share certificate. Shareholders holding uncertificated shares will receive written notice of any issue or transfer of those shares.
2. The Existing Articles provided for a share transfer to be effective the Company must receive a “duly signed instrument of transfer”. In electronic delivery, in certain circumstances where transfers are effected by brokers on behalf of their clients, a signed instrument of transfer is not provided to the Company. The amendments reflected in the New Articles permit the transfer of shares to occur upon receipt by the Company or its transfer agent of a duly signed or a written instrument of transfer.
3. The Existing Articles provide that the instrument of transfer must be in the form approved by the directors. The New Articles make the acceptance of the form of instrument of transfer by providing that the instrument of transfer be in a form either approved by the directors from time to time or by the transfer agent or registrar for those shares.

*Advance Notice Provisions*

**INTRODUCTION**

The directors of the Company are proposing that the New Articles of the Company include an advance notice provision (the “**Advance Notice Provision**”), which will:

- (i) facilitate orderly and efficient annual general or, where the need arises, special, meetings;

- (ii) ensure that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and
- (iii) allow shareholders to register an informed vote.

#### **PURPOSE OF THE ADVANCE NOTICE PROVISION**

The purpose of the Advance Notice Provision is to foster a variety of interests of the shareholders and the Company by ensuring that all shareholders - including those participating in a meeting by proxy rather than in person - receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. The Advance Notice Provision is the framework by which the Company seeks to fix a deadline by which holders of record of Common shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

Post receipt of shareholder approval to the New Articles, the Company's current Advance Notice Policy, , will terminate.

The New Articles also refine a number of "housekeeping" primary provisions contained in the Existing Articles as follows:

##### *Elimination of Fractional Shares*

The New Articles permit the Company to acquire for fair value any outstanding fractions of shares by delivering notice and funds to the holder of such fractional share. A shareholder whose fractional share is so purchased will have the right to apply to the court to determine the fair value of such shares. The Existing Articles do not permit the acquisition of fractional shares by the Company;

##### *Alterations*

The Company may by ordinary resolution (or a resolution of the directors in the case of the subdivision or consolidation of all or any of its unissued, or fully paid issued, shares, and as to the alteration of the identifying name of any of its shares), alter its Notice of Articles and (New) Articles accordingly;

##### *Special Rights and Restrictions*

The New Articles provide that the Company may, by ordinary resolution, (i) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued, or (ii) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued, and (iii) alter its Notices of Articles and Articles accordingly.

##### *Other Alterations*

If the *Business Corporations Act* (British Columbia) does not specify the type of resolution and these (New) Articles do not specify another type of resolution, the Company may by ordinary resolution alter these (New) Articles;

##### *Place of Meetings*

Updated to indicate that in addition to any location in British Columbia, any general meeting may be held in any location outside British Columbia approved by a resolution of the directors

##### *Selection of Alternate Chair*

Updated to add that the solicitor of the Company to be chair of the meeting;

##### *Deposit of Proxy*

Under the New Articles, a proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages, including through Internet or telephone voting or by mail, if permitted by the notice calling the meeting or the information circular for the meeting;

##### *Number of Directors*

Under the New Articles, the number of directors may be set by a resolution of the directors (whether or not previous notice of the resolution was given). The Existing Articles indicate that the number of directors to be set by ordinary resolution (whether or not previous notice of the resolution was given).

##### *Remuneration of Auditor*

Under the New Articles, the directors may from time to time set the remuneration of an auditor.



#### *Casting Vote at Director Meetings*

Under the New Articles, questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting has a second or casting vote.

#### *Undelivered Notices*

Under the New Articles, if on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant and on each of those occasions any such record is returned because the shareholder cannot be located, the Company shall not be required to send any further records to the shareholder until the shareholder informs the Company in writing of his or her new address;

#### *Authority to Advance Expenses*

Under the New Articles the Company may advance expenses to an eligible party to the extent permitted by and in accordance with the *Business Corporations Act* (British Columbia).

#### *Electronic Meetings*

Under the New Articles, the directors may determine that a meeting of shareholders shall be held entirely by means of telephonic, electronic, hybrid or other communication facilities that permit all participants to communicate with each other during the meeting. A meeting of shareholders may also be held at which some, but not necessarily all, persons entitled to attend may participate by means of such communications facilities, if the directors determine to make them available. A shareholder who participates in a meeting in a manner contemplated by this Article is deemed for all purposes of the Act and these Articles to be present at the meeting and to have agreed to participate in that manner.

#### *Electronic Voting*

Under the New Articles, subject to applicable law, any vote at a meeting of shareholders may be held entirely or partially by means of telephonic, electronic, hybrid or other communication medium, if the directors determine to make them available, whether or not persons entitled to attend participate in the meeting by means of such communication medium. A person voting in a meeting in a manner contemplated by this Article is deemed for all purposes of the Act and these Articles to be present at the meeting and to have properly voted in that manner.

### **Shareholder vote to the adoption of New Articles of the Company**

The Company's shareholders will be asked to consider and, if thought advisable, to pass, with or without amendment, an ordinary resolution to adopt the New Articles.

The adoption of the Company's New Articles requires a majority of the votes cast at the Meeting of the Company's shareholders, in person or represented by proxy, and the filing of the resolution in the Company's records office. Accordingly, the Company's shareholders will be asked to consider and, if thought advisable, to pass, with or without amendment, an ordinary resolution to ratify and approve the adoption of the New Articles, the text of which is as follows:

**"RESOLVED**, as an ordinary resolution, to ratify and approve the adoption of New Articles of the Company as follows:

#### **Articles**

The Current Articles of the Company be cancelled in their entirety and that the form of Articles attached as Schedule "B" to this resolution are adopted as the New Articles of the Company.

#### **Condition for New Articles**

It is a condition of this resolution that the New Articles of the Company referred to above do not take effect until the date and time that this resolution is received and stamped for deposit at the Company's records office.

#### **Execution of Documents**

Any director or officer of the Company be authorized to execute and deliver under the seal of the Company or otherwise, all such documents and to do all such other acts or things as such director or officer may determine to be necessary or advisable in connection with such transition, the execution of any such document or the doing of any such other act or thing by any director or officer of the Company being conclusive evidence of such determination.

## Revocation of Resolution

Pursuant to section 139 of the *Business Corporations Act* (British Columbia), the directors have the right to revoke the above ordinary resolutions before they are acted on.”

The form of the proposed resolution set forth above is subject to such amendments as management may propose at the Meeting but which do not materially affect the substance of the proposed resolution.

The above ordinary resolution, if passed, will become effective immediately upon the New Articles together with the signed Minutes approving the New Articles have been received for deposit at the Company’s records office.

The Board has reviewed and considered all material facts relating to the replacement of the Current Articles by the New Articles which it has considered to be relevant to shareholders. **It is the recommendation of the Board that shareholders vote in favour of the ordinary resolution. In the absence of a contrary instruction, the persons named in the enclosed form of proxy intend to vote in favour of the ordinary resolution.**

The proposed new form of Articles are available for inspection during regular business hours for the period before the Meeting at the Company’s registered and records office at Suite 1500 – 1055 West Georgia Street, Vancouver, British Columbia, Canada V6E 4N7. The New Form Articles will be available at the Meeting.

Upon receipt of approval to the New Articles, a complete set may be accessed on SEDAR located at [www.sedar.com](http://www.sedar.com).

## C. Advisory Vote on Executive Compensation

The Company believes that its shareholders should have the opportunity to fully understand the objectives, philosophy and principles the Board has used in its approach to executive compensation decisions and to have an advisory vote on the Board’s approach to executive compensation.

Over several years, the Board has thoughtfully examined and designed an executive compensation program using external consultants, monitoring trends, extensive internal research as well as executive assessments to determine and implement an appropriate compensation structure. For additional information regarding the Company’s approach to executive, shareholders should review the section “Compensation Discussion and Analysis” in this Information Circular.

Although an annual vote by shareholders on our compensation practices is not mandatory in Canada, we believe it is an essential part of good governance and enhances shareholder engagement by giving the shareholders a formal opportunity to provide their views on the disclosed objectives of the executive compensation plans and on the plans themselves. While shareholders will provide their collective advisory, the Board remains fully responsible for their compensation decision are not relieved of their responsibilities. Because the Say on Pay resolution is an advisory vote, the results are non-binding; however, the Board and Compensation Committee will take the results of the vote into account when considering future compensation policies, procedures and decisions.

The Board recognizes that Say on Pay is an evolving area in Canada and globally, and will review this policy annually to ensure that it is effective in achieving its goals.

The Company’s executive compensation policies and programs are based on the principle of pay-for-performance to align the interests of the Company’s executive officers with those of the Company’s shareholders. Shareholders are being asked at the Meeting to consider and approve the following ordinary resolution:

“**BE IT RESOLVED** that on an advisory basis, and not to diminish the role and responsibilities of the Board of Directors, the Shareholders accept the Board’s approach to executive compensation disclosed in the Company’s Information Circular dated May 17, 2023 delivered in advance of the Meeting.”

To pass, the resolution must be approved by a majority vote of the shares voted, in person or by proxy, on the resolution.

**The management proxyholders intend to vote FOR the advisory resolution approving our approach to executive compensation, except in relation to Common Shares held by a Shareholder who instructs otherwise.**

## ADDITIONAL INFORMATION

Additional information regarding the Company and its business activities is available on the SEDAR website located at [www.sedar.com](http://www.sedar.com) under “Company Profile – “Canagold Resources Ltd.. The Company’s financial information is provided in the Company’s comparative financial statements and related management discussion and analysis for its most recently completed financial year and may be viewed on the SEDAR website at the location noted above. Shareholders of the Company may request copies of the Company’s financial statements and related management discussion and analysis by contacting the Company at [info@canagoldresources.com](mailto:info@canagoldresources.com) or telephone: 604-685-9700.

**OTHER MATTERS**

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Information Circular.

The contents of this Information Circular and its distribution to shareholders has been approved by the Board.

**DATED** at Vancouver, British Columbia, May 17, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed) "*Catalin Kilofiski*"

**Catalin Kilofiski**  
**Chief Executive Officer**

**SCHEDULE “A”**

**CANAGOLD RESOURCES LTD.**

**OMNIBUS INCENTIVE PLAN**



**OMNIBUS INCENTIVE PLAN**

## CANAGOLD RESOURCES LTD.

### OMNIBUS INCENTIVE PLAN

Canagold Resources Ltd. (the “**Company**”) hereby establishes an omnibus incentive plan for certain qualified directors, executive officers, employees or Consultants of the Company or any of its Subsidiaries.

#### ARTICLE 1 INTERPRETATION

##### Section 1.1 Definitions.

Where used herein or in any amendments hereto or in any communication required or permitted to be given hereunder, the following terms shall have the following meanings, respectively, unless the context otherwise requires:

“**Account**” means an account maintained for each Participant on the books of the Company which will be credited with Awards in accordance with the terms of this Plan;

“**Affiliates**” has the meaning ascribed thereto in National Instrument 45-106 – Prospectus Exemptions;

“**Annual Base Compensation**” means an annual compensation amount payable to Non-Employee Directors as established from time to time by the Board;

“**Associate**”, where used to indicate a relationship with a Participant, means (i) any domestic partner of that Participant and (ii) the spouse of that Participant and that Participant’s children, as well as that Participant’s relatives and that Participant’s spouse’s relatives, if they share that Participant’s residence;

“**Award**” means any of an Option, DSU, RSU, or PSU granted to a Participant pursuant to the terms of the Plan;

“**Black-Out Period**” means a period of time when pursuant to any policies of the Company (including the Company’s insider trading policy), any securities of the Company may not be traded by certain Persons designated by the Company;

“**Board**” has the meaning ascribed thereto in Section 2.2(1) hereof;

“**Business Day**” means a day other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in Vancouver, British Columbia for the transaction of banking business;

“**Cash Equivalent**” means the amount of money equal to the Market Value multiplied by the number of vested DSUs, in the Participant’s Account, net of any applicable taxes in accordance with Section 9.2, on the Filing Date;

“**Cause**” has the meaning ascribed thereto in Section 7.2(1) hereof;

“**Change of Control**” means, unless the Board determines otherwise, the happening, in a single transaction or in a series of related transactions, of any of the following events:

- (i) any transaction (other than a transaction described in clause (iii) below) pursuant to which any Person or group of Persons acting jointly or in concert acquires the direct or indirect beneficial ownership of securities of the Company representing 50% or more of the aggregate voting power of all of the Company’s then issued and outstanding securities entitled to vote in the election of directors of the Company, other than any such acquisition that occurs upon the exercise or settlement of options or other securities granted by the Company under any of the Company’s equity incentive plans;
- (ii) there is consummated an arrangement, amalgamation, merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such arrangement, amalgamation, merger, consolidation or similar

transaction, the shareholders of the Company immediately prior thereto do not beneficially own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such amalgamation, merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation merger, consolidation or similar transaction, in each case in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Company immediately prior to such transaction;

- (iii) the sale, lease, exchange, license or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Company or any of its Subsidiaries which have an aggregate book value greater than 50% of the book value of the assets, rights and properties of the Company and its Subsidiaries on a consolidated basis to any other person or entity, other than a disposition to a wholly-owned Subsidiary of the Company in the course of a reorganization of the assets of the Company and its wholly-owned Subsidiaries;
- (iv) the passing of a resolution by the Board or shareholders of the Company to substantially liquidate the assets of the Company or wind up the Company's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Company in circumstances where the business of the Company is continued and the shareholdings remain substantially the same following the re-arrangement);
- (v) individuals who, on the Effective Date, are members of the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board; or
- (vi) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

**"Company"** means Canagold Resources Ltd., a company existing under the *Business Corporations Act* (British Columbia) as amended from time to time;

**"Consultant"** means a person, other than an employee, executive officer or director of the Company or a Subsidiary, that provides ongoing services to the Company, and includes for an individual Consultant, a corporation of which the individual Consultant is an employee or shareholder, or a partnership of which the individual Consultant is an employee or partner;

**"Consulting Agreement"** means, with respect to any Participant, any written consulting agreement between the Company or a Subsidiary and such Participant;

**"Deferred Payment Date"** for a Participant means the date after the Performance Period which is the earlier of (i) the date to which the Participant has elected to defer receipt of Shares in accordance with Section 6 of this Plan; and (ii) the Participant's Termination or Retirement Date;

**"Dividend Equivalent"** means a cash credit equivalent in value to a dividend paid on a Share credited to a Participant's Account;

**"DSU"** or **"Deferred Share Unit"** means a right awarded to a Participant to receive a payment in the form of Shares, Cash Equivalent or a combination thereof upon Termination of Service, as provided in Article 5 and subject to the terms and conditions of this Plan;

**"DSU Agreement"** means a document evidencing the grant of DSUs and the terms and conditions thereof;

**“DSU Settlement Amount”** means the amount of Shares, Cash Equivalent, or combination thereof, calculated in accordance with Section 5.6, to be paid to settle a DSU Award after the Filing Date;

**“Early Retirement”** in respect of a Participant means the Participant, at their election, ceasing to be an Eligible Participant after attaining the age of 55 years old and the Participant’s age plus number of years of continuous service is not less than a total of 65 years;

**“Eligibility Date”** the effective date on which a Participant becomes eligible to receive long-term disability benefits (provided that, for greater certainty, such effective date shall be confirmed in writing to the Company by the insurance company providing such long-term disability benefits);

**“Eligible Participants”** means any director, executive officer, employee or Consultant of the Company or any of its Subsidiaries, but for the purposes of Article 5, this definition shall be limited to directors of the Company or any of its Subsidiaries;

**“Employment Agreement”** means, with respect to any Participant, any written employment agreement between the Company or a Subsidiary and such Participant;

**“Entitlement Date”** means the date as determined by the Board in its sole discretion in accordance with the Plan, provided, in the case of Participants who are liable to taxation under the provisions of the *Income Tax Act* (Canada) in respect of amounts payable under this Plan, that such date, or amendment of such date as contemplated by Section 3.04 of this Plan, will not be later than December 31 of the third calendar year following the calendar year in which the services were performed in respect of the corresponding Performance Share Unit Award or such later date as may be permitted under paragraph (k) the definition of “salary deferral arrangement” in subsection 248(1) of the *Income Tax Act* (Canada) as amended from time to time, or other applicable provisions thereof, so as to ensure that the Plan is not considered to be a “salary deferral arrangement” for purposes of the *Income Tax Act* (Canada);

**“Exercise Notice”** means a notice in writing signed by a Participant and stating the Participant’s intention to exercise a particular Award, if applicable;

**“Filing Date”** has the meaning set out in Section 5.5(1) or Section 5.5(3), as applicable;

**“Grant Agreement”** means an agreement evidencing the grant to a Participant of an Award, including an Option Agreement, a DSU Agreement, an RSU Agreement, a PSU Agreement, an Employment Agreement or a Consulting Agreement;

**“Insider”** has the meaning set out in the TSX Company Manual;

**“Market Value”** means at any date when the market value of Shares is to be determined, (i) if the Shares are listed on the TSX, the volume weighted average trading price of the Shares on the TSX for the five trading days immediately preceding the relevant time as it relates to an Award; (ii) if the Shares are not listed on the TSX, then as calculated in paragraph (i) by reference to the price on any other stock exchange on which the Shares are listed (if more than one, then using the exchange on which a majority of trading in the Shares occurs); or (iii) if the Shares are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith and such determination shall be conclusive and binding on all Persons;

**“Non-Employee Director”** means a member of the Board of Directors or a director of any Subsidiary of the Company who is not otherwise an employee or executive officer of the Company or a Subsidiary;

**“Option”** means an option granted by the Company to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Option Price;

**“Option Agreement”** means a document evidencing the grant of Options and the terms and conditions thereof;

**“Option Price”** has the meaning ascribed thereto in Section 3.2 hereof;



**“Option Term”** has the meaning ascribed thereto in Section 3.4 hereof;

**“Outstanding Issue”** means the number of Shares that are issued and outstanding, on a non-diluted basis;

**“Participants”** means Eligible Participants that are granted Awards under the Plan;

**“Performance Criteria”** means specified criteria, other than the mere continuation of employment or the mere passage of time, the satisfaction of which is a condition for the grant, exercisability, vesting or full enjoyment of an Award;

**“Performance Period”** means the period of time during which the assigned performance criteria must be met in order to determine the degree of payout and/or vesting with respect to an Award;

**“Person”** means an individual, corporation, company, cooperative, partnership, trust, unincorporated association, entity with juridical personality or governmental authority or body, and pronouns which refer to a Person shall have a similarly extended meaning;

**“Plan”** means this Canagold Resources Ltd. Omnibus Incentive Plan, including any amendments or supplements hereto made after the effective date hereof;

**“PSU” or “Performance Share Unit”** means a unit credited by means of an entry on the books of the Company to a Participant, representing the right to receive on the Participant’s Entitlement Date such number of Shares from treasury;

**“PSU Agreement”** means a document evidencing the grant of PSUs and the terms and conditions thereof;

**“Restriction Period”** means the period determined by the Board pursuant to Section 4.3 hereof;

**“Retirement”** in respect of a Participant means the Participant ceasing to be an Eligible Participant after attaining the age of 65 years old, or 55 years old and the Participant’s age plus number of years of continuous service is not less than a total of 70 years;

**“Retirement Date”** means the date that a Participant ceases to be an Eligible Participant due to the Retirement or Early Retirement of the Participant;

**“RSU”** means a right awarded to a Participant to receive a payment in the form of Shares as provided in Article 4 hereof and subject to the terms and conditions of this Plan;

**“RSU Agreement”** means a document evidencing the grant of RSUs and the terms and conditions thereof;

**“RSU Settlement Date”** has the meaning determined in Section 4.5(1);

**“RSU Vesting Determination Date”** has the meaning described thereto in Section 4.4 hereof;

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

**“Share Compensation Arrangement”** means a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more full-time employees, directors, officers, Insiders, or Consultants of the Company or a Subsidiary including a share purchase from treasury by a full-time employee, director, officer, Insider, or Consultant which is financially assisted by the Company or a Subsidiary by way of a loan, guarantee or otherwise provided, however, that any such arrangements that do not involve the issuance from treasury or potential issuance from treasury of Shares of the Company are not “Share Compensation Arrangements” for the purposes of this Plan;

**“Stock Exchange”** means the TSX or, if the Shares are not listed or posted for trading on such stock exchange at a particular date, any other stock exchange on which the majority of the trading volume and value of the Shares are listed or posted for trading;

**“Subsidiary”** means a corporation, company or partnership that is controlled, directly or indirectly, by the Company;

**“Tax Act”** means the Income Tax Act (Canada) and its regulations thereunder, as amended from time to time;

**“Termination”** means that a Participant has ceased to be an Eligible Participant, including for greater certainty, the earliest date on which both of the following conditions are met: (i) the Participant has ceased to be employed by, or otherwise have a service relationship with, the Company or any Subsidiary thereof for any reason whatsoever; and (ii) the Participant is not a member of the Board nor a director of the Company or any of its Subsidiaries;

**“Termination Date”** means (i) in the event of a Participant’s resignation, the date on which such Participant ceases to be a director, executive officer, employee or Consultant of the Company or one of its Subsidiaries and (ii) in the event of the termination of the Participant’s employment, or position as director, executive or officer of the Company or a Subsidiary, or Consultant, the effective date of the termination as specified in the notice of termination provided to the Participant by the Company or the Subsidiary, as the case may be, and, for greater certainty, any period of contractual or common law reasonable notice after the effective date in the written notice of termination shall not be included in determining the Termination Date;

**“Termination of Service”** means that a Participant has ceased to be an Eligible Participant, including for greater certainty, the earliest date on which both of the following conditions are met: (i) the Participant has ceased to be employed by the Company or any Subsidiary thereof for any reason whatsoever; and (ii) the Participant is not a member of the Board nor a director of the Company or any of its Subsidiaries;

**“Trading Session”** means a trading session on a day which the applicable Stock Exchange is open for trading;

**“TSX”** means the Toronto Stock Exchange;

**“United States”** means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;

**“U.S. Participant”** means any Participant who, at any time during the period from the date an Award is granted to the date such award is exercised, redeemed, or otherwise paid to the Participant, is subject to income taxation in the United States on the income received for services provided to the Company or a Subsidiary and who is not otherwise exempt from United States income taxation under the relevant provisions of the U.S. Tax Code or the Canada-U.S. Income Tax Convention, as amended;

**“U.S. Securities Act”** means the United States Securities Act of 1933, as amended;

**“U.S. Tax Code”** means the United States Internal Revenue Code of 1986, as amended; and

**“Vested Awards”** has the meaning described thereto in Section 7.2(5) hereof.

## **Section 1.2 Interpretation.**

- (1) Whenever the Board is to exercise discretion or authority in the administration of the terms and conditions of this Plan, the term “discretion” or “authority” means the sole and absolute discretion of the Board.
- (2) The division of this Plan into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect the interpretation of this Plan.
- (3) In this Plan, words importing the singular shall include the plural, and vice versa and words importing any gender include any other gender.
- (4) The words “including”, “includes” and “include” and any derivatives of such words mean “including (or includes or include) without limitation”. As used herein, the expressions “Article”, “Section” and other

subdivision followed by a number, mean and refer to the specified Article, Section or other subdivision of this Plan, respectively.

- (5) Unless otherwise specified in the Participant's Grant Agreement, all references to money amounts are to Canadian currency.
- (6) For purposes of this Plan, the legal representatives of a Participant shall only include the administrator, the executor or the liquidator of the Participant's estate or will.
- (7) If any action may be taken within, or any right or obligation is to expire at the end of, a period of days under this Plan, then the first day of the period is not counted, but the day of its expiry is counted.

## **ARTICLE 2**

### **PURPOSE AND ADMINISTRATION OF THE PLAN; GRANTING OF AWARDS**

#### **Section 2.1 Purpose of the Plan.**

The purpose of the Plan is to permit the Company to grant Awards to Eligible Participants, subject to certain conditions as hereinafter set forth, for the following purposes:

- (a) to increase the interest in the Company's welfare of those Eligible Participants, who share responsibility for the management, growth and protection of the business of the Company or a Subsidiary;
- (b) to provide an incentive to such Eligible Participants to continue their services for the Company or a Subsidiary and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Company or a Subsidiary are necessary or essential to its success, image, reputation or activities;
- (c) to reward Participants for their performance of services while working for the Company or a Subsidiary; and
- (d) to provide a means through which the Company or a Subsidiary may attract and retain able Persons to enter its employment or service.

#### **Section 2.2 Implementation and Administration of the Plan.**

- (1) The Plan shall be administered and interpreted by the board of directors of the Company (the "**Board**") or, if the Board by resolution so decides, by a committee or plan administrator appointed by the Board. If such committee or plan administrator is appointed for this purpose, all references to the "Board" herein will be deemed references to such committee or plan administrator. Nothing contained herein shall prevent the Board from adopting other or additional Share Compensation Arrangements or other compensation arrangements, subject to any required approval.
- (2) Subject to Article 8 and any applicable rules of a Stock Exchange, the Board may, from time to time, as it may deem expedient, adopt, amend and rescind rules and regulations or vary the terms of this Plan and/or any Award hereunder for carrying out the provisions and purposes of the Plan and/or to address tax or other requirements of any applicable jurisdiction.
- (3) Subject to the provisions of this Plan, the Board is authorized, in its sole discretion, to make such determinations under, and such interpretations of, and take such steps and actions in connection with, the proper administration and operations of the Plan as it may deem necessary or advisable. The Board may delegate to officers or managers of the Company, or committees thereof, the authority, subject to such terms as the Board shall determine, to perform such functions, in whole or in part. Any such delegation by the Board may be revoked at any time at the Board's sole discretion. The interpretation, administration, construction and application of the Plan and any provisions hereof made by the Board, or by any officer, manager, committee or any other Person to which the Board delegated authority to perform such functions, shall be final and binding on the Company, its Subsidiaries and all Eligible

Participants.

- (4) No member of the Board or any Person acting pursuant to authority delegated by the Board hereunder shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Award granted hereunder. Members of the Board or and any person acting at the direction or on behalf of the Board, shall, to the extent permitted by law, be fully indemnified and protected by the Company with respect to any such action or determination.
- (5) The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issuance of any Shares or any other securities in the capital of the Company. For greater clarity, the Company shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, repurchasing Shares or varying or amending its share capital or corporate structure.

### **Section 2.3 Participation in this Plan.**

- (1) The Company makes no representation or warranty as to the future market value of the Shares or with respect to any income tax matters affecting any Participant resulting from the grant of an Award, the exercise of an Option or transactions in the Shares or otherwise in respect of participation under the Plan. Neither the Company, nor any of its directors, officers, employees, shareholders or agents shall be liable for anything done or omitted to be done by such Person or any other Person with respect to the price, time, quantity or other conditions and circumstances of the issuance of Shares hereunder, or in any other manner related to the Plan. For greater certainty, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional Awards will be granted to such Participant to compensate for a downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose. The Company and its Subsidiaries do not assume and shall not have responsibility for the income or other tax consequences resulting to any Participant and each Participant is advised to consult with his or her own tax advisors.
- (2) Participants (and their legal representatives) shall have no legal or equitable right, claim, or interest in any specific property or asset of the Company or any of its Subsidiaries. No asset of the Company or any of its Subsidiaries shall be held in any way as collateral security for the fulfillment of the obligations of the Company or any of its Subsidiaries under this Plan. Unless otherwise determined by the Board, this Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Awards under this Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Company.
- (3) Unless otherwise determined by the Board, the Company shall not offer financial assistance to any Participant in regards to the exercise of any Award granted under this Plan.
- (4) The Board may also require that any Eligible Participant in the Plan provide certain representations, warranties and certifications to the Company to satisfy the requirements of applicable laws, including, without limitation, exemptions from the registration requirements of the U.S. Securities Act, and applicable U.S. state securities laws.

### **Section 2.4 Shares Subject to the Plan.**

- (1) The aggregate number of Shares issuable under Awards outstanding under this Plan at any time, subject to adjustment pursuant to Article 8 hereof, shall not exceed 10% of the number of issued and outstanding Shares (one a non-diluted basis) at that time, less any awards outstanding under any other Share Compensation Arrangement of the Company at that time. Subject to adjustment pursuant to Article 8, the securities that may be acquired by Participants under this Plan shall consist of authorized but unissued Shares.
- (2) No Award that can be settled in Shares issued from treasury may be granted if such grant would have the effect of causing the total number of Shares subject to such Award to exceed the total numbers of Shares reserved for issuance as set out in Section 2.5, pursuant to the settlement of Awards.

- (3) Unless otherwise indicated, the Plan is an “evergreen” plan, as Shares of the Company covered by Awards which have been exercised or settled, as applicable, and Awards which expire or are forfeited, surrendered, cancelled or otherwise terminated or lapse for any reason without having been exercised, will be available for subsequent grant under the Plan and the number of Awards that may be granted under the Omnibus Plan increases if the total number of issued and outstanding Shares of the Company increases. Shares will not be deemed to have been issued pursuant to the Plan with respect to any portion of an Award that is settled in cash.

**Section 2.5 Limits with Respect to other Share Compensation Arrangements, Insiders, Individual Limits, and Annual Grant Limits.**

- (1) The maximum number of Shares issuable to Eligible Participants who are Insiders, at any time, under this Plan and any other Share Compensation Arrangement, shall not exceed ten percent (10%) of the Outstanding Issue from time to time.
- (2) The maximum number of Shares issued to Eligible Participants who are Insiders, within any one year period, under this Plan and any other Share Compensation Arrangement, shall not exceed ten percent (10%) of the Outstanding Issue from time to time.
- (3) Any Award granted pursuant to the Plan, or securities issued under any other Share Compensation Arrangement, prior to a Participant becoming an Insider, shall be excluded from the purposes of the limits set out in Section 2.5(2) and Section 2.5(3).

**Section 2.6 Granting of Awards.**

Any Award granted under the Plan shall be subject to the requirement that, if at any time the Company shall determine that the listing, registration or qualification of the Shares subject to such Award, if applicable, upon any stock exchange or under any law or regulation of any jurisdiction, or the consent or approval of any stock exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant of such Awards or exercise of any Option or the issuance or purchase of Shares thereunder, if applicable, such Award may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board. Nothing herein shall be deemed to require the Company to apply for or to obtain such listing, registration, qualification, consent or approval.

**Section 2.7 Limits with Respect to Non-Employee Directors.**

The Board may make Awards to Non-Employee Directors under the Plan provided that the annual grant of Awards under this Plan to any one Non-Employee Director shall not exceed \$150,000 in value (based on a Black-Scholes calculation or such other similar and acceptable methodology, applied consistently and appropriately as determined by the Board), of which no more than \$100,000 may comprise Options.

**ARTICLE 3  
OPTIONS**

**Section 3.1 Nature of Options.**

An Option is an option granted by the Company to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Option Price, but subject to the provisions hereof. For the avoidance of doubt, no Dividend Equivalents shall be granted in connection with an Option.

**Section 3.2 Option Awards.**

Subject to the provisions set forth in this Plan and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive Options under the Plan, (ii) fix the number of Options, if any, to be granted to each Eligible Participant and the date or dates on which such Options shall be granted, (iii) determine the price per

Share to be payable upon the exercise of each such Option (the “**Option Price**”) and the relevant vesting provisions (and the Option Term, the whole subject to the terms and conditions prescribed in this Plan or in any Option Agreement, and any applicable rules of a Stock Exchange.

### **Section 3.3 Option Price.**

The Option Price for Shares that are the subject of any Option shall be determined and approved by the Board when such Option is granted, but shall not be less than the Market Value of such Shares at the time of the grant.

### **Section 3.4 Option Term.**

- (1) The Board shall determine, at the time of granting the particular Option, the period during which the Option is exercisable, which shall not be more than ten (10) years from the date the Option is granted (“**Option Term**”).
- (2) Should the expiration date for an Option fall within a Black-Out Period or within nine (9) Business Days following the expiration of a Black-Out Period, such expiration date shall be automatically extended without any further act or formality to that date which is the tenth (10th) Business Day after the end of the Black-Out Period, such tenth (10th) Business Day to be considered the expiration date for such Option for all purposes under the Plan.

### **Section 3.5 Exercise of Options.**

Prior to its expiration or earlier termination in accordance with the Plan, each Option shall be exercisable at such time or times and/or other vesting conditions as the Board at the time of granting the particular Option, may determine in its sole discretion. For greater certainty, any exercise of Options by a Participant shall be made in accordance with the Company’s insider trading policy.

### **Section 3.6 Method of Exercise and Payment of Purchase Price.**

- (1) Subject to the provisions of the Plan, an Option granted under the Plan shall be exercisable (from time to time as provided in Section 3.5 hereof) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) by delivering a fully completed Exercise Notice to the Company at its registered office to the attention of the Corporate Secretary of the Company (or the individual that the Corporate Secretary of the Company may from time to time designate) or give notice in such other manner as the Company may from time to time designate, which notice shall specify the number of Shares in respect of which the Option is being exercised and shall be accompanied by full payment, by cash, certified cheque, bank draft or any other form of payment deemed acceptable by the Board of the purchase price for the number of Shares specified therein and, if required by Section 9.2, the amount necessary to satisfy any taxes.
- (2) Upon the exercise, the Company shall, as soon as practicable after such exercise but no later than ten (10) Business Days following such exercise, issue such Shares to the Participant. The Company will forthwith cause the transfer agent and registrar of the Shares either to:
  - (a) deliver to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice; or
  - (b) in the case of Shares issued in uncertificated form, cause the issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice to be evidenced by a book position on the register of the shareholders of the Company to be maintained by the transfer agent and registrar of the Shares.

### **Section 3.7 Option Agreements.**

Options shall be evidenced by an Option Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine. The Option Agreement may contain any such terms that the Company considers necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be resident or citizen or the rules of any regulatory body having jurisdiction over the Company.

## **ARTICLE 4 RESTRICTED SHARE UNITS**

### **Section 4.1 Nature of RSUs.**

A Restricted Share Unit is an Award in the nature of a bonus for services rendered that, upon settlement, entitles the recipient Participant to acquire Shares as determined by the Board, pursuant and subject to such restrictions and conditions as the Board may determine at the time of grant, unless such RSU expires prior to being settled.

### **Section 4.2 RSU Awards.**

- (1) The Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive RSUs under the Plan, (ii) fix the number of RSUs, if any, to be granted to each Eligible Participant and the date or dates on which such RSUs shall be granted, (iii) determine the relevant conditions and vesting provisions and the Restriction Period of such RSUs, (provided, however, that no such Restriction Period shall exceed the 3 years referenced in Section 4.3) and (iv) any other terms and conditions applicable to the granted RSUs.
- (2) Subject to the vesting and other conditions and provisions in this Plan and in the RSU Agreement, each vested RSU awarded to a Participant shall entitle the Participant to receive one Share no later than the last day of the Restriction Period, upon confirmation by the Board that the vesting conditions have been met.

### **Section 4.3 Restriction Period.**

The applicable restriction period in respect of a particular RSU shall be determined by the Board but in all cases shall end no later than December 31 of the calendar year which is three (3) years after the calendar year in which the vesting criteria for which such RSU is granted, occurred ("**Restriction Period**"). All unvested RSUs shall be cancelled on the RSU Vesting Determination Date (as such term is defined in Section 4.4) and, in any event, all unvested RSUs shall be cancelled no later than the last day of the Restriction Period.

### **Section 4.4 RSU Vesting Determination Date.**

The vesting determination date means the date on which the Board determines if the vesting conditions with respect to an RSU have been met (the "**RSU Vesting Determination Date**"), and as a result, establishes the number of RSUs that become vested, if any. For greater certainty, the RSU Vesting Determination Date must fall after the end of the vesting period, if any, but no later than December 15 of the calendar year which is three (3) years after the calendar year in which the vesting criteria for which such RSU is granted, occurred. Notwithstanding the foregoing, for any U.S. Participant, the RSU Vesting Determination Date shall occur no later than March 15 of the calendar year following the end of the vesting period.

### **Section 4.5 Settlement of RSUs.**

- (1) Except as otherwise provided in the RSU Agreement, all of the vested RSUs covered by a particular grant shall be settled as soon as practicable and in any event within ten (10) Business Days following their RSU Vesting Determination Date and, no later than the end of the Restriction Period (the "**RSU Settlement Date**").
- (2) Settlement of RSUs shall take place promptly following the RSU Settlement Date, no later than the end

of the Restriction Period. Settlement of RSUs shall be subject to Section 9.2 and shall take place through:

- (a) delivery to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) of a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive (unless the Participant intends to simultaneously dispose of any such Shares); or
  - (b) in the case of Shares issued in uncertificated form, issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive to be evidenced by a book position on the register of the shareholders of the Company to be maintained by the transfer agent and registrar of the Shares.
- (3) Notwithstanding the foregoing, for any U.S. Participant, the RSU Settlement Date and delivery of Shares, if any, shall each occur no later than March 15 of the calendar year following the end of the vesting period.

#### **Section 4.6 Determination of Amounts.**

- (1) For the purposes of determining the number of Shares to be issued or delivered to a Participant upon settlement of RSUs pursuant to Section 4.5, such calculation will be made on the RSU Settlement Date based on the whole number of Shares equal to the whole number of vested RSUs then recorded in the Participant's Account to settle in Shares.

#### **Section 4.7 RSU Agreements.**

RSUs shall be evidenced by an RSU Agreement in such form not inconsistent with the Plan as the Board may from time to time determine. The RSU Agreement may contain any such terms that the Company considers necessary in order that the RSU will comply with any provisions respecting restricted share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be resident or citizen or the rules of any regulatory body having jurisdiction over the Company.

#### **Section 4.8 Award of Dividend Equivalents.**

Dividend Equivalents may, as determined by the Board in its sole discretion, be awarded in respect of unvested RSUs in a Participant's Account on the same basis as cash dividends declared and paid on Shares as if the Participant was a shareholder of record of Shares on the relevant record date. Dividend Equivalents, if any, will be credited to the Participant's Account in additional RSUs, the number of which shall be equal to a fraction where the numerator is the product of (i) the number of RSUs in such Participant's Account on the date that dividends are paid multiplied by (ii) the dividend paid per Share and the denominator of which is the Market Value of one Share calculated on the date that dividends are paid. Any additional RSUs credited to a Participant's Account as a Dividend Equivalent pursuant to this Section 4.8 shall have an RSU Vesting Determination Date which is the same as the RSU vesting Determination Date for the RSUs in respect of which such additional RSUs are credited. In the event that the Participant's applicable RSUs do not vest, all Dividend Equivalents, if any, associated with such RSUs will be forfeited by the Participant and returned to the Company's account.

#### **Section 4.9. Maximum Number of Restricted Share Units.**

The maximum number of RSUs made available for the Plan shall not exceed 6,500,000 RSUs.



## **ARTICLE 5 DEFERRED SHARE UNITS**

### **Section 5.1 Nature of DSUs.**

A Deferred Share Unit is an Award attributable to a Participant's duties as a Non-Employee Director and that, upon settlement, entitles the recipient Participant to receive such number of Shares as determined by the Board, or to receive the Cash Equivalent or a combination thereof, as the case may be, and is payable after Termination of Service of the Participant.

### **Section 5.2 DSU Awards.**

The Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive DSU Awards under the Plan, and (ii) fix the number of DSU Awards to be granted to each Eligible Participant and the date or dates on which such DSU Awards shall be granted, subject to the terms and conditions prescribed in this Plan and in any DSU Agreement. Each DSU awarded shall entitle the Participant to one Share, or the Cash Equivalent, or a combination thereof, as determined pursuant to Section 5.5(2).

### **Section 5.3 Payment of Annual Base Compensation.**

- (1) Each Participant may elect to receive in DSUs any portion or all of his or her Annual Base Compensation by completing and delivering a written election to the Company on or before November 15<sup>th</sup> of the calendar year ending immediately before the calendar year with respect to which the election is made. Such election will be effective with respect to compensation payable for fiscal quarters beginning during the calendar year following the date of such election.
- (2) Further, where an individual becomes a Participant for the first time during a fiscal year and, for individuals that are U.S. Participants, such individual has not previously participated in a plan that is required to be aggregated with this Plan for purposes of Section 409A of the U.S. Tax Code, such individual may elect to defer Annual Base Compensation with respect to fiscal quarters of the Company commencing after the Company receives such individual's written election, which election must be received by the Company no later than thirty (30) days after the later of the Plan's adoption or such individual's appointment as a Participant. For greater certainty, new Participants will not be entitled to receive DSUs for any Annual Base Compensation earned pursuant to an election for the quarter in which they submit their first election to the Company or any previous quarter.
- (3) All DSUs granted with respect to Annual Base Compensation will be credited to the Participant's Account when such Annual Base Compensation is payable (the "**Grant Date**").
- (4) The Participant's Account will be credited with the number of DSUs calculated to the nearest thousandths of a DSU, determined by dividing the dollar amount of compensation payable in DSUs on the Grant Date by the Market Value of the Shares. Fractional Deferred Share Units will not be issued and any fractional entitlements will be rounded down to the nearest whole number.

### **Section 5.4 Additional Deferred Share Units.**

In addition to DSUs granted pursuant to Section 5.3, the Board may award such number of DSUs to a Participant as the Board deems advisable to provide the Participant with appropriate equity-based compensation for the services rendered to the Company. The Board shall determine the date on which such DSUs may be granted and the date as of which such DSUs shall be credited to a Participant's Account. An award of DSUs pursuant to this Section 5.4 shall be subject to a DSU Agreement evidencing the Award and the terms applicable thereto.

### **Section 5.5 Settlement of DSUs.**

- (1) A Participant may receive their Shares, or Cash Equivalent, or a combination thereof, to which such Participant is entitled upon Termination of Service, by filing a redemption notice on or before December 15 of the first calendar year commencing after the date of the Participant's Termination of Service. Notwithstanding the foregoing, if any Participant does not file such notice on or before that December

15 and in all cases for each U.S. Participant, the Participant will be deemed to have filed the redemption notice on December 15 (the date of the filing or deemed filing of the redemption notice, the “**Filing Date**”).

- (2) When and if DSUs are redeemed, in settlement of such DSUs the Participant shall have the discretionary right to request payment from the Company of a cash amount equal to the Cash Equivalent calculated pursuant to Section 5.6(1). If such a request is made by the Participant, then the Company must comply with the request and issue a payment of cash equal to the Cash Equivalent. Notwithstanding the foregoing, if the Company in its discretion decides it currently has insufficient capital resources available to satisfy the Participant’s request, the Company shall not be required to issue a cash payment. In this regard, such DSUs may be settled through the issuance of Shares or a combination of a cash settlement and issuance of Shares pursuant to subsection (4)(b) below. The Company will make payment of the DSU Settlement Amount as soon as reasonably possible following the Filing Date and in any event no later than the end of the first calendar year commencing after the Participant’s Termination of Service.
- (3) In the event of the death of a Participant, the Company will, subject to Section 9.2, make payment of the DSU Settlement Amount within two months of the Participant’s death to or for the benefit of the legal representative of the deceased Participant. For the purposes of the calculation of the Settlement Amount, the Filing Date shall be the date of the Participant’s death.
- (4) Subject to the terms of the DSU Award Agreement, including the satisfaction or, at the discretion of the Board, waiver of any vesting conditions, settlement of DSUs shall take place promptly following the Filing Date, and take the form as determined by the Board, in its sole discretion. Settlement of DSUs shall be subject to Section 9.2 and shall take place through:
  - (a) in the case of settlement of DSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;
  - (b) in the case of settlement of DSUs for Shares:
    - (i) delivery to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) of a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive (unless the Participant intends to simultaneously dispose of any such Shares); or
    - (ii) in the case of Shares issued in uncertificated form, issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive to be evidenced by a book position on the register of the shareholders of the Company to be maintained by the transfer agent and registrar of the Shares; or
  - (c) in the case of settlement of the DSUs for a combination of Shares and the Cash Equivalent, a combination of (a) and (b) above.

#### **Section 5.6 Determination of DSU Settlement Amount.**

- (1) For purposes of determining the Cash Equivalent of DSUs to be made pursuant to Section 5.5 such calculation will be made on the Filing Date based on the Market Value on the Filing Date multiplied by the number of vested DSUs in the Participant’s Account to settle in cash.
- (2) For the purposes of determining the number of Shares to be issued or delivered to a Participant upon settlement of DSUs pursuant to Section 5.5, such calculation will be made on the Filing Date based on the whole number of Shares equal to the whole number of vested DSUs then recorded in the Participant’s Account to settle in Shares.

### **Section 5.7 DSU Agreements.**

DSUs shall be evidenced by a DSU Agreement in such form not inconsistent with the Plan as the Board may from time to time determine. The DSU Agreement may contain any such terms that the Company considers necessary in order that the DSU will comply with any provisions respecting deferred share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be resident or citizen or the rules of any regulatory body having jurisdiction over the Company.

### **Section 5.8 Award of Dividend Equivalents.**

Dividend Equivalents may, as determined by the Board in its sole discretion, be awarded in respect of DSUs in a Participant's Account on the same basis as cash dividends declared and paid on Shares as if the Participant was a shareholder of record of Shares on the relevant record date. Dividend Equivalents, if any, will be credited to the Participant's Account in additional DSUs, the number of which shall be equal to a fraction where the numerator is the product of (i) the number of DSUs in such Participant's Account on the date that dividends are paid multiplied by (ii) the dividend paid per Share and the denominator of which is the Market Value of one Share calculated on the date that dividends are paid. Any additional DSUs credited to a Participant's Account as a Dividend Equivalent pursuant to this Section 5.8 shall be subject to the same terms and conditions as the underlying DSU Award.

### **Section 5.9 Maximum Number of Deferred Share Units**

The maximum number of DSUs made available for the Plan shall not exceed 2,500,000 DSUs.

## **Article 6 PERFORMANCE SHARE UNITS**

### **Section 6.1 PSU Awards**

The Company will have the right, in its sole and absolute discretion, to grant PSU Awards to any Participant, subject to the Plan and with such provisions, performance conditions and restrictions as the Company may determine. The number of PSUs awarded will be credited to the Participant's Account, effective as of the date of the PSU Agreement. Each PSU vests on its Entitlement Date, as determined by the Board, provided that the Board will have discretion to amend the Entitlement Date after such grant. The Board will establish criteria for the grant of PSUs to Participants.

### **Section 6.2 PSU Agreements**

Each PSU granted under the Plan will be evidenced by a PSU Agreement. Such PSU Agreement will be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Board deems appropriate for inclusion in a PSU Agreement. The provisions of the various PSU Agreements issued under the Plan need not be identical. To the extent that there is any inconsistency between the Plan and the PSU Agreement or any other communications, the Plan will prevail.

### **Section 6.3 Entitlement Date**

Upon the grant of PSUs to a Participant, the Board will determine the Entitlement Date applicable to such PSUs. For the avoidance of doubt, except as otherwise set forth in this Section 6, a Participant will have no right or entitlement whatsoever to receive Common Shares until the Entitlement Date. Except as otherwise set forth in this Section 6, a PSU Award granted to a Participant will entitle the Participant, subject to the satisfaction of any conditions, performance conditions or measures, restrictions or limitations imposed under this Plan or the applicable PSU Agreement, to receive on the Participant's Entitlement Date or the Deferred Payment Date, as the case may be, a payment in Common Shares.

## **Section 6.4 Payment of Dividends**

Dividend Equivalents may, as determined by the Board in its sole discretion, be awarded in respect of PSUs in a Participant's Account on the same basis as cash dividends declared and paid on Shares as if the Participant was a shareholder of record of Shares on the relevant record date. Dividend Equivalents, if any, will be credited to the Participant's Account in additional PSUs, the number of which shall be equal to a fraction where the numerator is the product of (i) the number of PSUs in such Participant's Account on the date that dividends are paid multiplied by (ii) the dividend paid per Share and the denominator of which is the Market Value of one Share calculated on the date that dividends are paid. Any additional PSUs credited to a Participant's Account as a Dividend Equivalent pursuant to this Section 6.4 shall be subject to the same terms and conditions as the underlying PSU Award.

## **Section 6.5 Death or Disability of Participant**

Unless the Board determines otherwise, a Participant's Entitlement Date will be accelerated as follows: (i) in the event of the death of the Participant, the Participant's Entitlement Date will be the date of death; and (ii) in the event of the total disability of the Participant, the Participant's Entitlement Date will be the date on which the Participant becomes totally disabled.

## **Section 6.6 Termination Prior to Entitlement Date**

In the event of the Termination with cause of a Participant prior to the Entitlement Date, any PSUs held by the Participant will immediately terminate and be of no further force or effect, provided that the Board has the absolute discretion to waive such termination. In the event of the Termination without cause of a Participant prior to the Entitlement Date, the Participant's Entitlement Date will be accelerated on a pro-rata basis calculated on the actual performance achievement realized at the time of Termination.

## **Section 6.7 Retirement or Early Retirement**

In respect of Retirement or Early Retirement of the Participant, unless determined otherwise by the Board, a Participant's Entitlement Date will be determined as follows: (i) in the event of Retirement of the Participant, the Participant's Entitlement Date will not be altered; and (ii) in the event of Early Retirement of the Participant, the Participant's Entitlement Date will be accelerated on a pro-rata basis calculated by dividing the number of months that have elapsed between the applicable Grant Date and the Retirement Date by the total number of months between the Grant Date and the Entitlement Date.

## **Section 6.8 Maximum Number of PSUs**

The maximum number of PSUs made available for the Plan shall not exceed 1,000,000 PSUs.

# **ARTICLE 7 GENERAL CONDITIONS**

## **Section 7.1 General Conditions Applicable to Awards.**

Each Award, as applicable, shall be subject to the following conditions:

- (1) **Vesting Period.** Each Award granted hereunder shall vest in accordance with the terms of the Grant Agreement entered into in respect of such Award. The Board has the right to accelerate the date upon which any Award becomes exercisable notwithstanding the vesting schedule set forth for such Award, regardless of any adverse or potentially adverse tax consequence resulting from such acceleration.
- (2) **Employment.** Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to the Plan shall in no way be construed as a guarantee by the Company or a Subsidiary to the Participant of employment or another service relationship with the Company or a Subsidiary. The granting of an Award to a Participant shall not impose upon the Company or a Subsidiary any obligation to retain the Participant in its employ or service in any capacity. Nothing contained in this Plan or in any Award granted under this Plan shall interfere in any way with the rights

of the Company or any of its Affiliates in connection with the employment, retention or termination of any such Participant. The loss of existing or potential profit in Shares underlying Awards granted under this Plan shall not constitute an element of damages in the event of termination of a Participant's employment or service in any office or otherwise.

- (3) **Grant of Awards.** Eligibility to participate in this Plan does not confer upon any Eligible Participant any right to be granted Awards pursuant to this Plan. Granting Awards to any Eligible Participant does not confer upon any Eligible Participant the right to receive nor preclude such Eligible Participant from receiving any additional Awards at any time. The extent to which any Eligible Participant is entitled to be granted Awards pursuant to this Plan will be determined in the sole discretion of the Board. Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Participant's relationship or employment with the Company or any Subsidiary.
- (4) **Rights as a Shareholder.** Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Shares covered by such Participant's Awards by reason of the grant of such Award until such Award has been duly exercised, as applicable, and settled and Shares have been issued in respect thereof. Subject to Section 4.8 and Section 5.8, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such Shares have been issued.
- (5) **Conformity to Plan.** In the event that an Award is granted or a Grant Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.
- (6) **Non-Transferrable Awards.** Except as specifically provided in a Grant Agreement approved by the Board, each Award granted under the Plan is personal to the Participant and shall not be assignable or transferable by the Participant, whether voluntarily or by operation of law, except by will or by the laws of succession of the domicile of the deceased Participant. No Award granted hereunder shall be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of on pain of nullity.
- (7) **Participant's Entitlement.** Except as otherwise provided in this Plan or unless the Board permits otherwise, upon any Subsidiary of the Company ceasing to be a Subsidiary of the Company, Awards previously granted under this Plan that, at the time of such change, are held by a Person who is a director, executive officer, employee or Consultant of such Subsidiary of the Company and not of the Company itself, whether or not then exercisable, shall automatically terminate on the date of such change.

## **Section 7.2 General Conditions Applicable to Options.**

Each Option shall be subject to the following conditions:

- (1) **Termination for Cause.** Upon a Participant ceasing to be an Eligible Participant for Cause, any vested or unvested Option granted to such Participant shall terminate automatically and become void immediately. For the purposes of the Plan, the determination by the Company that the Participant was discharged for Cause shall be binding on the Participant. "**Cause**" shall include, among other things, gross misconduct, theft, fraud, breach of confidentiality or breach of the Company's codes of conduct and any other reason determined by the Company to be cause for termination.
- (2) **Termination not for Cause.** Upon a Participant ceasing to be an Eligible Participant as a result of his or her employment or service relationship with the Company or a Subsidiary being terminated without Cause, (i) any unvested Option granted to such Participant shall terminate and become void immediately and (ii) any vested Option granted to such Participant may be exercised by such Participant. Unless otherwise determined by the Board, in its sole discretion, such Option shall only be exercisable within the earlier of ninety (90) days after the Termination Date, or the expiry date of the Option set forth in the Grant Agreement, after which the Option will expire.

- (3) **Resignation.** Upon a Participant ceasing to be an Eligible Participant as a result of his or her resignation from the Company or a Subsidiary, (i) each unvested Option granted to such Participant shall terminate and become void immediately upon resignation and (ii) each vested Option granted to such Participant will cease to be exercisable on the earlier of the thirty (30) days following the Termination Date and the expiry date of the Option set forth in the Grant Agreement, after which the Option will expire.
- (4) **Permanent Disability/Retirement.** Upon a Participant ceasing to be an Eligible Participant by reason of Retirement or permanent disability, (i) any unvested Option shall terminate and become void immediately, and (ii) any vested Option will cease to be exercisable on the earlier of the ninety (90) days from the Retirement Date or the date on which the Participant ceases his or her employment or service relationship with the Company or any Subsidiary by reason of permanent disability, and the expiry date of the Option set forth in the Grant Agreement, after which the Option will expire.
- (5) **Death.** Upon a Participant ceasing to be an Eligible Participant by reason of death, any vested Option granted to such Participant may be exercised by the liquidator, executor or administrator, as the case may be, of the estate of the Participant for that number of Shares only which such Participant was entitled to acquire under the respective Options (the “**Vested Awards**”) on the date of such Participant’s death. Such Vested Awards shall only be exercisable within twelve (12) months after the Participant’s death or prior to the expiration of the original term of the Options whichever occurs earlier.

### **Section 7.3 General Conditions Applicable to RSUs.**

Each RSU shall be subject to the following conditions:

- (1) **Termination for Cause and Resignation.** Upon a Participant ceasing to be an Eligible Participant for Cause or as a result of his or her resignation from the Company or a Subsidiary, the Participant’s participation in the Plan shall be terminated immediately, all RSUs credited to such Participant’s Account that have not vested shall be forfeited and cancelled, and the Participant’s rights to Shares or Cash Equivalent or a combination thereof that relate to such Participant’s unvested RSUs shall be forfeited and cancelled on the Termination Date.
- (2) **Death or Termination.** Except as otherwise determined by the Board from time to time, at its sole discretion, upon a Participant ceasing to be an Eligible Participant as a result of (i) death, (ii) Retirement, (iii) Termination for reasons other than for Cause, (iv) his or her employment or service relationship with the Company or a Subsidiary being terminated by reason of injury or disability or (v) becoming eligible to receive long-term disability benefits, all unvested RSUs in the Participant’s Account as of such date relating to a Restriction Period in progress shall be terminated.
- (3) **General.** For greater certainty, where a Participant’s employment or service relationship with the Company or a Subsidiary is terminated pursuant to Section 7.3(1) or Section 7.3(2) hereof following the satisfaction of all vesting conditions in respect of particular RSUs but before receipt of the corresponding distribution or payment in respect of such RSUs, the Participant shall remain entitled to such distribution or payment.

## **ARTICLE 8 ADJUSTMENTS AND AMENDMENTS**

### **Section 8.1 Adjustment to Shares.**

In the event of (i) any subdivision of the Shares into a greater number of Shares, (ii) any consolidation of Shares into a lesser number of Shares, (iii) any reclassification, reorganization or other change affecting the Shares, (iv) any merger, amalgamation or consolidation of the Company with or into another corporation, or (v) any distribution to all holders of Shares or other securities in the capital of the Company, of cash, evidences of indebtedness or other assets of the Company (excluding an ordinary course dividend in cash or shares, but including for greater certainty shares or equity interests in a subsidiary or business unit of the Company or one of its subsidiaries or cash proceeds of the disposition of such a subsidiary or business unit) or any transaction

or change having a similar effect, then the Board shall in its sole discretion, subject to the required approval of any Stock Exchange, determine the appropriate adjustments or substitutions to be made in such circumstances in order to maintain the economic rights of the Participant in respect of such Award in connection with such occurrence or change, including, without limitation:

- (a) adjustments to the exercise price of such Award without any change in the total price applicable to the unexercised portion of the Award;
- (b) adjustments to the number of Shares to which the Participant is entitled upon exercise of such Award; or
- (c) adjustments to the number or kind of Shares reserved for issuance pursuant to the Plan.

## **Section 8.2 Change of Control.**

- (1) In the event of a potential Change of Control, the Board shall have the power, in its sole discretion, subject to Section 8.3, to modify the terms of this Plan and/or the Awards to assist the Participants to tender into a take-over bid or to participate in any other transaction leading to a Change of Control.
- (2) If the Company completes a transaction constituting a Change of Control and within twelve (12) months following the Change of Control (i) a Participant who was also an officer or employee of, or Consultant to, the Company prior to the Change of Control has their position, employment or consulting agreement terminated, or the Participant is constructively dismissed, or (ii) a Non-Employee Director ceases to act in such capacity, then all unvested RSUs shall immediately vest and shall be paid out, and all unvested Options shall vest and become exercisable. Any Options that become exercisable pursuant to this Section 8.2(2) shall remain open for exercise until the earlier of their expiry date as set out in the Award Agreement and the date that is 90 days after such termination or dismissal.
- (3) Notwithstanding any other provision of this Plan, this Section 8.2 shall not apply with respect to any DSUs held by a Participant where such DSUs are governed under paragraph 6801(d) of the regulations under the Tax Act or any successor to such provision.

## **Section 8.3 Amendment or Discontinuance of the Plan.**

- (1) The Board may suspend or terminate the Plan at any time. Notwithstanding the foregoing, any suspension or termination of the Plan shall be such that the Plan continuously meets the requirements of paragraph 6801(d) of the regulations under the Tax Act or any successor to such provision.
- (2) The Board may from time to time, in its absolute discretion and without approval of the shareholders of the Company amend any provision of this Plan or any Award, subject to any regulatory or stock exchange requirement at the time of such amendment, including, without limitation:
  - (i) any amendment to the general vesting provisions, if applicable, of the Plan or of the Awards;
  - (ii) any amendment regarding the effect of termination of a Participant's employment or engagement;
  - (iii) any amendment which accelerates the date on which any Option may be exercised under the Plan;
  - (iv) any amendment necessary to comply with applicable law or the requirements of the TSX or any other regulatory body;
  - (v) any amendment of a "housekeeping" nature, including to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the definitions in the Plan;

- (vi) any amendment regarding the administration of the Plan;
  - (vii) any amendment to add provisions permitting the grant of Awards settled otherwise than with Shares issued from treasury, a form of financial assistance or clawback, and any amendment to a provision permitting the grant of Awards settled otherwise than with Shares issued from treasury, a form of financial assistance or clawback which is adopted; and
  - (viii) any other amendment that does not require the approval of the shareholders of the Company under Section 8.3(3)(b).
- (3) Notwithstanding Section 8.3(2):
- (a) no such amendment shall alter or impair the rights of any Participant, without the consent of such Participant except as permitted by the provisions of the Plan;
  - (b) the Board shall be required to obtain shareholder approval to make the following amendments:
    - (i) any increase to the maximum number of Shares issuable under the Plan, except in the event of an adjustment pursuant to Article 8;
    - (ii) any amendment that extends the term of Options beyond the original expiry date;
    - (iii) any amendment which extends the expiry date of any Award, or the Restriction Period, or the Performance Period of any RSU beyond the original expiry date or Restriction Period or Performance Period;
    - (iv) except in the case of an adjustment pursuant to Article 8, any amendment which reduces the exercise price of an Option or any cancellation of an Option and replacement of such Option with an Option with a lower exercise price;
    - (v) any amendment which increases the maximum number of Shares that may be (i) issuable to Insiders at any time; or (ii) issued to Insiders under the Plan and any other proposed or established Share Compensation Arrangement in a one-year period, except in case of an adjustment pursuant to Article 8;
    - (vi) any amendment to the definition of an Eligible Participant under the Plan; and
    - (vii) any amendment to the amendment provisions of the Plan.
- (4) Notwithstanding the foregoing, any amendment of the Plan shall be such that the Plan continuously meets the requirements of paragraph 6801(d) of the regulations under the Tax Act or any successor to such provision.

## **ARTICLE 9 MISCELLANEOUS**

### **Section 9.1 Use of an Administrative Agent and Trustee.**

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent or trustee to administer the Awards granted under the Plan and to act as trustee to hold and administer the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. The Company and the administrative agent will maintain records showing the number of Awards granted to each Participant under the Plan.



## **Section 9.2 Tax Withholding.**

- (1) Notwithstanding any other provision of this Plan, all distributions, delivery of Shares or payments to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) under the Plan shall be made net of such withholdings, including in respect of applicable taxes and source deductions, as the Company determines. If the event giving rise to the withholding obligation involves an issuance or delivery of Shares, then, the withholding may be satisfied in such manner as the Company determines, including by (a) having the Participant elect to have the appropriate number of such Shares sold by the Company, the Company's transfer agent and registrar or any trustee appointed by the Company pursuant to Section 9.1 hereof, on behalf of and as agent for the Participant as soon as permissible and practicable, with the proceeds of such sale being delivered to the Company, which will in turn remit such amounts to the appropriate governmental authorities, or (b) any other mechanism as may be required or determined by the Company as appropriate.
- (2) Notwithstanding Section 9.2(1), the applicable tax withholdings may be waived where a Participant directs in writing that a payment be made directly to the Participant's registered retirement savings plan in circumstances to which subsection 100(3) of the regulations made under the Tax Act apply.

## **Section 9.3 US Tax Compliance.**

- (1) DSU Awards granted to U.S. Participants are intended to be comply with, and Option and RSU Awards granted to U.S. Participants are intended to be exempt from, all aspects of Section 409A of the U.S. Tax Code and related regulations ("**Section 409A**"). Notwithstanding any provision to the contrary, all taxes associated with participation in the Plan, including any liability imposed by Section 409A, shall be borne by the U.S. Participant.
- (2) For purposes of interpreting and applying the provisions of any DSU or other Award to subject to Section 409A, the term "termination of employment" or similar phrase will be interpreted to mean a "separation from service," as defined under Section 409A, provided, however, that with respect to an Award subject to the Tax Act, if the Tax Act requires a complete termination of the employment relationship to receive the intended tax treatment, then "termination of employment" will be interpreted to only include a complete termination of the employment relationship.
- (3) If payment under any DSU or other Award subject to Section 409A is in connection with the U.S. Participant's separation from service, and at the time of the separation from service the Participant is subject to the U.S. Tax Code and is considered a "specified employee" (within the meaning of Section 409A), then any payment that would otherwise be payable during the six-month period following the separation from service will be delayed until after the expiration of the six-month period, to the extent necessary to avoid taxes and penalties under Section 409A, provided that any amounts that would have been paid during the six-month period may be paid in a single lump sum on the first day of the seventh month following the separation from service.

## **Section 9.4 Clawback.**

Notwithstanding any other provisions in this Plan, any Award which is subject to recovery under any law, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or stock exchange listing requirement (or any policy adopted by the Company pursuant to any such law, government regulation or stock exchange listing requirement). Without limiting the generality of the foregoing, the Board may provide in any case that outstanding Awards (whether or not vested or exercisable) and the proceeds from the exercise or disposition of Awards or Shares acquired under Awards will be subject to forfeiture and disgorgement to the Company, with interest and other related earnings, if the Participant to whom the Award was granted violates (i) a non-competition, non-solicitation, confidentiality or other restrictive covenant by which he or she is bound, or (ii) any policy adopted by the Company applicable to the Participant that provides for forfeiture or disgorgement with respect to incentive compensation that includes Awards under the Plan. In addition, the Board may require forfeiture and disgorgement to the Company of outstanding Awards and the proceeds from the exercise or disposition of Awards or Shares acquired under Awards, with interest and other related earnings, to the extent

required by law or applicable stock exchange listing standards, including and any related policy adopted by the Company. Each Participant, by accepting or being deemed to have accepted an Award under the Plan, agrees to cooperate fully with the Board, and to cause any and all permitted transferees of the Participant to cooperate fully with the Board, to effectuate any forfeiture or disgorgement required hereunder. Neither the Board nor the Company nor any other person, other than the Participant and his or her permitted transferees, if any, will be responsible for any adverse tax or other consequences to a Participant or his or her permitted transferees, if any, that may arise in connection with this Section 8.4.

#### **Section 9.5 Securities Law Compliance.**

- (1) The Plan (including any amendments to it), the terms of the grant of any Award under the Plan, the grant of any Award and exercise of any Option, and the Company's obligation to sell and deliver Shares in respect of any Awards, shall be subject to all applicable federal, provincial, state and foreign laws, rules and regulations, the rules and regulations of applicable Stock Exchanges and to such approvals by any regulatory or governmental agency as may, as determined by the Company, be required. The Company shall not be obliged by any provision of the Plan or the grant of any Award hereunder to issue, sell or deliver Shares in violation of such laws, rules and regulations or any condition of such approvals.
- (2) No Awards shall be granted in the United States and no Shares shall be issued in the United States pursuant to any such Awards unless such Shares are registered under the U.S. Securities Act and any applicable state securities laws or an exemption from such registration is available. Any Awards granted in the United States, and any Shares issued pursuant thereto, will be "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act). Any certificate or instrument representing Awards granted in the United States or Shares issued in the United States pursuant to such Awards pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws shall bear substantially the following legend restricting transfer under applicable United States federal and state securities laws:

THE SECURITIES REPRESENTED HEREBY [and for Awards, the following will be added: AND THE SECURITIES ISSUABLE PURSUANT HERETO] HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATIONS UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (1) RULE 144 THEREUNDER, IF AVAILABLE, OR (2) RULE 144A THEREUNDER, IF AVAILABLE, AND IN EACH CASE IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN CONNECTION WITH ANY TRANSFERS PURSUANT TO (C)(1) OR (D) ABOVE, THE SELLER HAS FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE, IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY, TO THAT EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

- (3) No Awards shall be granted, and no Shares shall be issued, sold or delivered hereunder, where such grant, issue, sale or delivery would require registration of the Plan or of the Shares under the securities laws of any jurisdiction or the filing of any prospectus for the qualification of same thereunder, and any purported grant of any Award or purported issue or sale of Shares hereunder in violation of this provision shall be void.
- (4) The Company shall have no obligation to issue any Shares pursuant to this Plan unless upon official notice of issuance such Shares shall have been duly listed with a Stock Exchange. Shares issued, sold or delivered to Participants under the Plan may be subject to limitations on sale or resale under applicable securities laws.

- (5) If Shares cannot be issued to a Participant upon the exercise of an Option due to legal or regulatory restrictions, the obligation of the Company to issue such Shares shall terminate and any funds paid to the Company in connection with the exercise of such Option will be returned to the applicable Participant as soon as practicable.

#### **Section 9.6 Reorganization of the Company.**

The existence of any Awards shall not affect in any way the right or power of the Company or its shareholders to make or authorize any adjustment, reclassification, recapitalization, reorganization or other change in the Company's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Company or to create or issue any bonds, debentures, shares or other securities of the Company or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

#### **Section 9.7 Quotation of Shares.**

So long as the Shares are listed on one or more Stock Exchanges, the Company must apply to such Stock Exchange or Stock Exchanges for the listing or quotation, as applicable, of the Shares underlying the Awards granted under the Plan, however, the Company cannot guarantee that such Shares will be listed or quoted on any Stock Exchange.

#### **Section 9.8 No Fractional Shares.**

No fractional Shares shall be issued upon the exercise or vesting of any Award granted under the Plan and, accordingly, if a Participant would become entitled to a fractional Share upon the exercise or settlement of such Award, or from an adjustment permitted by the terms of this Plan, such Participant shall only have the right to purchase or receive, as the case may be, the next lowest whole number of Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

#### **Section 9.9 Governing Laws.**

The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

#### **Section 9.10 Severability.**

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

#### **Section 9.11 Effective Date of the Plan**

The Plan was ratified by the shareholders of the Company and shall take effect on June 19, 2023.

**CANAGOLD RESOURCES LTD.**  
**Award Agreement**  
**to Omnibus Incentive Plan**

Canagold Resources Ltd. (“**Us**” or “**Our**”) hereby grants the following Award(s) to you subject to the terms and conditions of this Award Agreement (the “**Agreement**”), together with the provisions of Our Omnibus Incentive Plan dated effective April 6, 2023 (the “**Plan**”) in which you qualify as a “Participant”, all the terms of which are hereby incorporated into this Agreement:

Name and Address of Participant: \_\_\_\_\_

Date of Grant: \_\_\_\_\_

Type of Award: \_\_\_\_\_

Total Number of Awards Granted: \_\_\_\_\_

Vesting Date(s): \_\_\_\_\_

1. The terms and conditions of the Plan are hereby incorporated by reference as terms and conditions of this Agreement and all capitalized terms used herein, unless expressly defined in a different manner, have the meanings ascribed thereto in the Plan.
2. Each notice relating to the Award must be in writing and signed by the Participant or the Participant’s legal representative. All notices to Us must be delivered personally or by prepaid registered mail and must be addressed to Our Corporate Secretary. All notices to the Participant will be addressed to the principal address of the Participant on file with Us. Either the Participant or Us may designate a different address by written notice to the other. Any notice given by either the Participant or Us is not binding on the recipient thereof until received.
3. Nothing in the Plan, in this Agreement, or as a result of the grant of an Award to you, will affect Our right, or that of any Affiliate of Ours, to terminate your employment or term of office or engagement at any time for any reason whatsoever. Upon such termination, your rights to exercise Award will be subject to restrictions and time limits, complete details of which are set out in the Plan.

**CANAGOLD RESOURCES LTD.**

By: \_\_\_\_\_  
Authorized Signatory

I have read the foregoing Agreement and hereby accept the Award in accordance with and subject to the terms and conditions of the Agreement and the Plan. I agree to be bound by the terms and conditions of the Plan governing the Award.

\_\_\_\_\_  
Date Accepted

\_\_\_\_\_  
Signature

**SCHEDULE “B”**

**CANAGOLD RESOURCES LTD.**

**PROPOSED FORM OF ARTICLES**

***BUSINESS CORPORATIONS ACT***

**ARTICLES**

**of**

**CANAGOLD RESOURCES LTD.**

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***BUSINESS CORPORATIONS ACT***

**ARTICLES**

**of**

**CANAGOLD RESOURCES LTD.  
(the “Company”)**

**PART 1**

**INTERPRETATION**

**Definitions**

1.1 In these Articles, unless the context otherwise requires:

- (a) “**Act**” means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (b) “**board of directors**”, “**directors**” and “**board**” mean the directors or sole director of the Company for the time being;
- (c) “**Interpretation Act**” means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (d) “**legal personal representative**” means the personal or other legal representative of the shareholder;
- (e) “**registered address**” of a shareholder means the shareholder’s address as recorded in the central securities register;
- (f) “**seal**” means the seal of the Company, if any;
- (g) “**share**” means a share in the share structure of the Company; and
- (h) “**special majority**” means the majority of votes described in §11.2 which is required to pass a special resolution.

**Act and Interpretation Act Definitions Applicable**

1.2 The definitions in the Act and the definitions and rules of construction in the Interpretation Act, with the necessary changes, so far as applicable, and except as the context

requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the Act and a definition or rule in the Interpretation Act relating to a term used in these Articles, the definition in the Act will prevail. If there is a conflict or inconsistency between these Articles and the Act, the Act will prevail.

## **PART 2**

### **SHARES AND SHARE CERTIFICATES**

#### **Authorized Share Structure**

2.1 The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

#### **Form of Share Certificate**

2.2 Each share certificate issued by the Company must comply with, and be signed as required by, the Act.

#### **Shareholder Entitled to Certificate, Acknowledgment or Written Notice**

2.3 Unless the shares of which the shareholder is the registered owner are uncertificated shares, each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate and delivery of a share certificate for a share to one of several joint shareholders or to one of the shareholders' duly authorized agents will be sufficient delivery to all. If a shareholder is the registered owner of uncertificated shares, the Company must send to a holder of an uncertificated share a written notice containing the information required by the Act within a reasonable time after the issue or transfer of such share.

#### **Delivery by Mail**

2.4 Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate, or written notice of the issue or transfer of an uncertificated share may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate, acknowledgement or written notice is lost in the mail or stolen.



### **Replacement of Worn Out or Defaced Certificate or Acknowledgement**

2.5 If a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, the Company must, on production of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as are deemed fit:

- (a) cancel the share certificate or acknowledgment; and
- (b) issue a replacement share certificate or acknowledgment.

### **Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment**

2.6 If a share certificate or a non-transferable written acknowledgment of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgment, as the case may be, must be issued to the person entitled to that share certificate or acknowledgment, if the requirements of the Act are satisfied, as the case may be, if the directors receive:

- (a) proof satisfactory to it of the loss, theft or destruction; and
- (b) any indemnity the directors consider adequate.

### **Splitting Share Certificates**

2.7 If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

### **Certificate Fee**

2.8 There must be paid to the Company, in relation to the issue of any share certificate under §2.5, §2.6 or §2.7, the amount, if any, not exceeding the amount prescribed under the Act, determined by the directors.

### **Recognition of Trusts**

2.9 Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as required by law or statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

## **PART 3**

### **ISSUE OF SHARES**

#### **Directors Authorized**

3.1 Subject to the Act and the rights, if any, of the holders of issued shares of the Company, the Company may allot, issue, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the consideration (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

#### **Commissions and Discounts**

3.2 The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person's purchase or agreement to purchase shares of the Company from the Company or any other person's procurement or agreement to procure purchasers for shares of the Company.

#### **Brokerage**

3.3 The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

#### **Conditions of Issue**

3.4 Except as provided for by the Act, no share may be issued until it is fully paid. A share is fully paid when:

- (a) consideration is provided to the Company for the issue of the share by one or more of the following:
  - (i) past services performed for the Company;
  - (ii) property;
  - (iii) money; and
- (b) the value of the consideration received by the Company equals or exceeds the issue price set for the share under §3.1.

#### **Share Purchase Warrants and Rights**

3.5 Subject to the Act, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

## **PART 4**

### **SHARE REGISTERS**

#### **Central Securities Register**

4.1 As required by and subject to the Act, the Company must maintain in British Columbia a central securities register and may appoint an agent to maintain such register. The directors may appoint one or more agents, including the agent appointed to keep the central securities register, as transfer agent for shares or any class or series of shares and the same or another agent as registrar for shares or such class or series of shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

## **PART 5**

### **SHARE TRANSFERS**

#### **Registering Transfers**

5.1 A transfer of a share must not be registered unless the Company or the transfer agent or registrar for the class or series of shares to be transferred has received:

- (a) except as exempted by the Act, a written instrument of transfer in respect of the share has been received by the Company (which may be a separate document or endorsed on the share certificate for the shares transferred) made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;
- (b) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate;
- (c) if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment; and
- (d) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, that the written instrument of transfer and the right of the transferee to have the transfer registered.

#### **Form of Instrument of Transfer**

5.2 The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates of that class or series or in some other form that may be approved by the directors from time to time or by the transfer agent or registrar for those shares.

### **Transferor Remains Shareholder**

5.3 Except to the extent that the Act otherwise provides, the transferor of a share is deemed to remain the holder of it until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

### **Signing of Instrument of Transfer**

5.4 If a shareholder, or the shareholder's duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgments deposited with the instrument of transfer, or if the shares are uncertificated shares, then all of the shares registered in the name of the shareholder on the central securities register:

- (a) in the name of the person named as transferee in that instrument of transfer; or
- (b) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

### **Enquiry as to Title Not Required**

5.5 Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares transferred, of any interest in such shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

### **Transfer Fee**

5.6 There must be paid to the Company, in relation to the registration of a transfer, the amount, if any, determined by the directors.

## **PART 6**

### **TRANSMISSION OF SHARES**

#### **Legal Personal Representative Recognized on Death**

6.1 In case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a

person as a legal personal representative of a shareholder, the Company shall receive the documentation required by the Act.

### **Rights of Legal Personal Representative**

6.2 The legal personal representative of a shareholder has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the Act and the directors have been deposited with the Company. This §6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the name of the shareholder and the name of another person in joint tenancy.

## **PART 7**

### **PURCHASE, REDEEM OR OTHERWISE ACQUIRE SHARES**

#### **Company Authorized to Purchase, Redeem or Otherwise Acquire Shares**

7.1 Subject to §7.2, the special rights or restrictions attached to the shares of any class or series and the Act, the Company may, if authorized by the directors, purchase, redeem or otherwise acquire any of its shares at the price and upon the terms determined by the directors.

#### **Purchase When Insolvent**

7.2 The Company must not make a payment or provide any other consideration to purchase, redeem or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (a) the Company is insolvent; or
- (b) making the payment or providing the consideration would render the Company insolvent.

#### **Sale and Voting of Purchased, Redeemed or Otherwise Acquired Shares**

7.3 If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

- (a) is not entitled to vote the share at a meeting of its shareholders;
- (b) must not pay a dividend in respect of the share; and
- (c) must not make any other distribution in respect of the share.

### **Company Entitled to Purchase, Redeem or Otherwise Acquire Share Fractions**

7.4 The Company may, without prior notice to the holders, purchase, redeem or otherwise acquire for fair value any and all outstanding share fractions of any class or kind of shares in its authorized share structure as may exist at any time and from time to time. Upon the Company delivering the purchase funds and confirmation of purchase or redemption of the share fractions to the holders' registered or last known address, or if the Company has a transfer agent then to such agent for the benefit of and forwarding to such holders, the Company shall thereupon amend its central securities register to reflect the purchase or redemption of such share fractions and if the Company has a transfer agent, shall direct the transfer agent to amend the central securities register accordingly. Any holder of a share fraction, who upon receipt of the funds and confirmation of purchase or redemption of same, disputes the fair value paid for the fraction, shall have the right to apply to the court to request that it set the price and terms of payment and make consequential orders and give directions the court considers appropriate, as if the Company were the "acquiring person" as contemplated by Division 6, Compulsory Acquisitions, under the Act and the holder were an "offeree" subject to the provisions contained in such Division, *mutatis mutandis*.

## **PART 8**

### **BORROWING POWERS**

8.1 The Company, if authorized by the directors, may:

- (a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;
- (b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as the directors consider appropriate;
- (c) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (d) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

8.2 The powers conferred under this Part 8 shall be deemed to include the powers conferred on a company by Division VII of the *Special Corporations Powers Act* being chapter P-16 of the Revised Statutes of Quebec, 1988, and every statutory provision that may be substituted therefor or for any provision therein.

## **PART 9**

### **ALTERATIONS**

#### **Alteration of Authorized Share Structure**

9.1 Subject to §9.2 and the Act, the Company may by ordinary resolution (or a resolution of the directors in the case of §9.1(c) or §9.1(f)):

- (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
- (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
- (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
- (d) if the Company is authorized to issue shares of a class of shares with par value:
  - (i) decrease the par value of those shares; or
  - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
- (e) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
- (f) alter the identifying name of any of its shares; or
- (g) otherwise alter its shares or authorized share structure when required or permitted to do so by the Act where it does not specify by a special resolution;

and, if applicable, alter its Notice of Articles and Articles accordingly.

#### **Special Rights or Restrictions**

9.2 Subject to the Act and in particular those provisions of the Act relating to the rights of holders of outstanding shares to vote if their rights are prejudiced or interfered with, the Company may by ordinary resolution:

- (a) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or
- (b) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued,

and alter its Notice of Articles and Articles accordingly.

### **Change of Name**

9.3 The Company may by resolution of the directors authorize an alteration to its Notice of Articles in order to change its name or adopt or change any translation of that name.

### **Other Alterations**

9.4 If the Act does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by ordinary resolution alter these Articles.

## **PART 10**

### **MEETINGS OF SHAREHOLDERS**

#### **Annual General Meetings**

10.1 Unless an annual general meeting is deferred or waived in accordance with the Act, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such date, time and, if applicable, place as may be determined by the directors.

#### **Resolution Instead of Annual General Meeting**

10.2 If all the shareholders who are entitled to vote at an annual general meeting consent in writing by a unanimous resolution to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this §10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

#### **Calling of Meetings of Shareholders**

10.3 The directors may, at any time, call a meeting of shareholders.

#### **Notice for Meetings of Shareholders**

10.4 The Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution or a special separate resolution, and any notice to consider approving an amalgamation into a foreign jurisdiction, an arrangement or the adoption of an amalgamation agreement, and any notice of a general meeting, class meeting or series meeting), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the



auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (a) if the Company is a public company, 21 days;
- (b) otherwise, 10 days.

### **Record Date for Notice**

10.5 The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the Act, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

- (a) if the Company is a public company, 21 days;
- (b) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

### **Record Date for Voting**

10.6 The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the Act, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

### **Failure to Give Notice and Waiver of Notice**

10.7 The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive that entitlement or may agree to reduce the period of that notice. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

### **Notice of Special Business at Meetings of Shareholders**

10.8 If a meeting of shareholders is to consider special business within the meaning of §11.1, the notice of meeting must:

- (a) state the general nature of the special business; and

(b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:

- (i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and
- (ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

### **Place of Meetings**

10.9 In addition to any location in British Columbia, any general meeting may be held in any location outside British Columbia, if applicable, as approved by a resolution of the directors.

### **Electronic Meetings**

10.10 The directors may determine that a meeting of shareholders shall be held entirely by means of telephonic, electronic, hybrid or other communication facilities that permit all participants to communicate with each other during the meeting. A meeting of shareholders may also be held at which some, but not necessarily all, persons entitled to attend may participate by means of such communications facilities, if the directors determine to make them available. A shareholder who participates in a meeting in a manner contemplated by this Article 10.10 is deemed for all purposes of the Act and these Articles to be present at the meeting and to have agreed to participate in that manner.

### **Electronic Voting**

10.11 Subject to applicable law, any vote at a meeting of shareholders may be held entirely or partially by means of telephonic, electronic, hybrid or other communication medium, if the directors determine to make them available, whether or not persons entitled to attend participate in the meeting by means of such communication medium. A person participating in a meeting in a manner contemplated by this Article 10.11 is deemed for all purposes of the Act and these Articles to be present at the meeting and to have agreed to participate in that manner.

## **PART 11**

### **PROCEEDINGS AT MEETINGS OF SHAREHOLDERS**

#### **Special Business**

11.1 At a meeting of shareholders, the following business is special business:

- (a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;

(b) at an annual general meeting, all business is special business except for the following:

- (i) business relating to the conduct of or voting at the meeting;
- (ii) consideration of any financial statements of the Company presented to the meeting;
- (iii) consideration of any reports of the directors or auditor;
- (iv) the setting or changing of the number of directors;
- (v) the election or appointment of directors;
- (vi) the appointment of an auditor;
- (vii) the setting of the remuneration of an auditor;
- (viii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;
- (ix) any other business which, under these Articles or the Act, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

### **Special Majority**

11.2 The majority of votes required for the Company to pass a special resolution at a general meeting of shareholders is two-thirds of the votes cast on the resolution.

### **Quorum**

11.3 Subject to the special rights or restrictions attached to the shares of any class or series of shares, and to §11.4, the quorum for the transaction of business at a meeting of shareholders is at least one person who is, or who represents by proxy, one or more shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

### **One Shareholder May Constitute Quorum**

11.4 If there is only one shareholder entitled to vote at a meeting of shareholders:

- (a) the quorum is one person who is, or who represents by proxy, that shareholder, and
- (b) shareholder, in attendance at the meeting or represented at the meeting by proxy, may constitute the meeting.

### **Persons Entitled to Attend Meeting**

11.5 In addition to those persons who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company, any persons invited to be present at the meeting by the directors or by the chair of the meeting and any persons entitled or required under the Act or these Articles to be present at the meeting; but if any of those persons does attend the meeting, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

### **Requirement of Quorum**

11.6 No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

### **Lack of Quorum**

11.7 If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (a) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and
- (b) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

### **Lack of Quorum at Succeeding Meeting**

11.8 If, at the meeting to which the meeting referred to in §11.7(b) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, two or more shareholders entitled to attend and vote at the meeting shall be deemed to constitute a quorum.

### **Chair**

11.9 The following individual is entitled to preside as chair at a meeting of shareholders:

- (a) the chair of the board, if any; or
- (b) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

### **Selection of Alternate Chair**

11.10 If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present may choose either one of their number or the solicitor of the Company to be chair of the meeting. If all of the directors present decline to take the chair or fail to so choose or if no director is present or the solicitor of the Company declines to take the chair, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

### **Adjournments**

11.11 The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

### **Notice of Adjourned Meeting**

11.12 It is not necessary to give any notice of an adjourned meeting of shareholders or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

### **Decisions by Show of Hands or Poll**

11.13 Subject to the Act, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by any shareholder entitled to vote who is in attendance at the meeting or represented at the meeting by proxy.

### **Declaration of Result**

11.14 The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under §11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

### **Motion Need Not be Seconded**

11.15 No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

### **Casting Vote**

11.16 In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

### **Manner of Taking Poll**

11.17 Subject to §11.18, if a poll is duly demanded at a meeting of shareholders:

- (a) the poll must be taken:
  - (i) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
  - (ii) in the manner, at the time and, if applicable, the place that the chair of the meeting directs;
- (b) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (c) the demand for the poll may be withdrawn by the person who demanded it.

### **Demand for Poll on Adjournment**

11.18 A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

### **Chair Must Resolve Dispute**

11.19 In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and the determination of the chair made in good faith is final and conclusive.

### **Casting of Votes**

11.20 On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

### **No Demand for Poll on Election of Chair**

11.21 No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

### **Demand for Poll Not to Prevent Continuance of Meeting**

11.22 The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

### **Retention of Ballots and Proxies**

11.23 The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxy holder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

## **PART 12**

### **VOTES OF SHAREHOLDERS**

#### **Number of Votes by Shareholder or by Shares**

12.1 Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under §12.3:

- (a) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (b) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either personally while in attendance at the meeting or by proxy.

#### **Votes of Persons in Representative Capacity**

12.2 A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

#### **Votes by Joint Holders**

12.3 If there are joint shareholders registered in respect of any share:

- (a) any one of the joint shareholders may vote at any meeting of shareholders, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (b) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

### **Legal Personal Representatives as Joint Shareholders**

12.4 Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of §12.3, deemed to be joint shareholders registered in respect of that share.

### **Representative of a Corporate Shareholder**

12.5 If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

- (a) for that purpose, the instrument appointing a representative must be received:
  - (i) at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or
  - (ii) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting;
- (b) if a representative is appointed under this §12.5:
  - (i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
  - (ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

### **Proxy Provisions Do Not Apply to All Companies**

12.6 If and for so long as the Company is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply, then §12.7 to §12.15 are not mandatory, however the directors of the Company are authorized to apply all or part of such sections or to adopt alternative procedures for proxy form, deposit and revocation procedures to the extent that the directors deem necessary in order to comply with securities laws applicable to the Company.



### **Appointment of Proxy Holders**

12.7 Every shareholder of the Company entitled to vote at a meeting of shareholders may, by proxy, appoint one or more (but not more than two) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

### **Alternate Proxy Holders**

12.8 A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

### **Proxy Holder Need Not Be Shareholder**

12.9 A proxy holder need not be a shareholder of the Company.

### **Deposit of Proxy**

12.10 A proxy for a meeting of shareholders must:

- (a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or
- (b) unless the notice provides otherwise, be received, at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages, including through Internet or telephone voting or by email, if permitted by the notice calling the meeting or the information circular for the meeting.

### **Validity of Proxy Vote**

12.11 A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

- (a) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (b) at the meeting or any adjourned meeting by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

## Form of Proxy

12.12 A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[Name of Company]  
(the “Company”)

The undersigned, being a shareholder of the Company, hereby appoints [name] or, failing that person, [name], as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on [month, day, year] and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the undersigned): \_\_\_\_\_

Signed [month, day, year]

\_\_\_\_\_  
[Signature of shareholder]

\_\_\_\_\_  
[Name of shareholder—printed]

## Revocation of Proxy

12.13 Subject to §12.14, every proxy may be revoked by an instrument in writing that is received:

(a) at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or

(b) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

## Revocation of Proxy Must Be Signed

12.14 An instrument referred to in §12.13 must be signed as follows:

(a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or the shareholder’s legal personal representative or trustee in bankruptcy;

- (b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under §12.5.

### **Production of Evidence of Authority to Vote**

12.15 The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

## **PART 13**

### **DIRECTORS**

#### **First Directors; Number of Directors**

13.1 The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the Act. The number of directors, excluding additional directors appointed under §14.8, is set at:

- (a) subject to §(b) and §(c), the number of directors that is equal to the number of the Company's first directors;
- (b) if the Company is a public company, the greater of three and the most recently set of:
  - (i) the number of directors set by a resolution of the directors (whether or not previous notice of the resolution was given); and
  - (ii) the number of directors in office pursuant to §14.4;
- (c) if the Company is not a public company, the most recently set of:
  - (i) the number of directors set by a resolution of the directors (whether or not previous notice of the resolution was given); and
  - (ii) the number of directors in office pursuant to §14.4.

#### **Change in Number of Directors**

13.2 If the number of directors is set under §13.1(b)(i) or §13.1(c)(i):

- (a) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number; or
- (b) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number then the directors, subject to §14.8, may appoint directors to fill those vacancies.

### **Directors' Acts Valid Despite Vacancy**

13.3 An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

### **Qualifications of Directors**

13.4 A director is not required to hold a share as qualification for his or her office but must be qualified as required by the Act to become, act or continue to act as a director.

### **Remuneration of Directors**

13.5 The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders.

### **Reimbursement of Expenses of Directors**

13.6 The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

### **Special Remuneration for Directors**

13.7 If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, he or she may be paid remuneration fixed by the directors, or at the option of the directors, fixed by ordinary resolution, and such remuneration will be in addition to any other remuneration that he or she may be entitled to receive.

### **Gratuity, Pension or Allowance on Retirement of Director**

13.8 Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

## **PART 14**

### **ELECTION AND REMOVAL OF DIRECTORS**

#### **Election at Annual General Meeting**

14.1 At every annual general meeting and in every unanimous resolution contemplated by §10.2:

- (a) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and
- (b) all the directors cease to hold office immediately before the election or appointment of directors under §(a), but are eligible for re-election or re-appointment.

#### **Consent to be a Director**

14.2 No election, appointment or designation of an individual as a director is valid unless:

- (a) that individual consents to be a director in the manner provided for in the Act;
- (b) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or
- (c) with respect to first directors, the designation is otherwise valid under the Act.

#### **Failure to Elect or Appoint Directors**

14.3 If:

- (a) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by §10.2, on or before the date by which the annual general meeting is required to be held under the Act; or
- (b) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by §10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

- (c) when his or her successor is elected or appointed; and
- (d) when he or she otherwise ceases to hold office under the Act or these Articles.

### **Places of Retiring Directors Not Filled**

14.4 If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles but their term of office shall expire when new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

### **Directors May Fill Casual Vacancies**

14.5 Any casual vacancy occurring in the board of directors may be filled by the directors.

### **Remaining Directors Power to Act**

14.6 The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of calling a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the Act, for any other purpose.

### **Shareholders May Fill Vacancies**

14.7 If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

### **Additional Directors**

14.8 Notwithstanding §13.1 and §13.2, between annual general meetings or by unanimous resolutions contemplated by §10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this §14.8 must not at any time exceed:

- (a) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or
- (b) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this §14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under §14.1(a), but is eligible for re-election or re-appointment.

### **Ceasing to be a Director**

14.9 A director ceases to be a director when:

- (a) the term of office of the director expires;
- (b) the director dies;
- (c) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (d) the director is removed from office pursuant to §14.10 or §14.11.

### **Removal of Director by Shareholders**

14.10 The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

### **Removal of Director by Directors**

14.11 The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

### **Nomination of Directors**

14.12

- (a) Subject only to the Act, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders (but only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting):
  - (i) by or at the direction of the board or an authorized officer of the Company, including pursuant to a notice of meeting;
  - (ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act; or

(iii) by any person (a “**Nominating Shareholder**”) (A) who, at the close of business on the date of the giving of the notice provided for below in this §14.12 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (B) who complies with the notice procedures set forth below in this §14.12.

(b) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must have given (i) timely notice thereof in proper written form to the Corporate Secretary of the Company at the principal executive offices of the Company in accordance with this §14.12 and (ii) the representation and agreement with respect to each candidate for nomination as required by, and within the time period specified in §14.12(e).

(c) To be timely under §14.12(b)(i), a Nominating Shareholder’s notice to the Corporate Secretary of the Company must be made:

(i) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 40 days after the date (the “**Notice Date**”) on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the tenth (10th) day following the Notice Date; and

(ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this §14.12(c).

(d) To be in proper written form, a Nominating Shareholder’s notice to the Corporate Secretary of the Company, under §14.12(b)(i) must set forth:

(i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person, (C) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, (D) a statement as to whether such person would be “independent” of the Company (within the meaning of sections 1.4 and 1.5 of National Instrument 52-



110 – *Audit Committees* of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination and (E) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws; and

(ii) as to the Nominating Shareholder giving the notice, (A) any information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws, and (B) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the Nominating Shareholder as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice.

(e) To be eligible to be a candidate for election as a director of the Company and to be duly nominated, a candidate must be nominated in the manner prescribed in this §14.12 and the candidate for nomination, whether nominated by the board or otherwise, must have previously delivered to the Corporate Secretary of the Company at the principal executive offices of the Company, not less than 5 days prior to the date of the Meeting of Shareholders, a written representation and agreement (in form provided by the Company) that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person's term in office as a director (and, if requested by any candidate for nomination, the Corporate Secretary of the Company shall provide to such candidate for nomination all such policies and guidelines then in effect).

(f) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this §14.12; provided, however, that nothing in this §14.12 shall be deemed to preclude discussion by a shareholder (as distinct from nominating directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

(g) For purposes of this §14.12:

(i) “**Affiliate**”, when used to indicate a relationship with a person, shall mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person;

(ii) **“Applicable Securities Laws”** means the *Securities Act* (British Columbia) and the equivalent legislation in the other provinces and in the territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each of the applicable provinces and territories of Canada;

(iii) **“Associate”**, when used to indicate a relationship with a specified person, shall mean (A) any corporation or trust of which such person owns beneficially, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of such corporation or trust for the time being outstanding, (B) any partner of that person, (C) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity, (D) a spouse of such specified person, (E) any person of either sex with whom such specified person is living in conjugal relationship outside marriage or (F) any relative of such specified person or of a person mentioned in clauses (D) or (E) of this definition if that relative has the same residence as the specified person;

(iv) **“Derivatives Contract”** shall mean a contract between two parties (the “Receiving Party” and the “Counterparty”) that is designed to expose the Receiving Party to economic benefits and risks that correspond substantially to the ownership by the Receiving Party of a number of shares in the capital of the Company or securities convertible into such shares specified or referenced in such contract (the number corresponding to such economic benefits and risks, the “Notional Securities”), regardless of whether obligations under such contract are required or permitted to be settled through the delivery of cash, shares in the capital of the Company or securities convertible into such shares or other property, without regard to any short position under the same or any other Derivatives Contract. For the avoidance of doubt, interests in broad-based index options, broad-based index futures and broad-based publicly traded market baskets of stocks approved for trading by the appropriate governmental authority shall not be deemed to be Derivatives Contracts;

(v) **“Meeting of Shareholders”** shall mean such annual shareholders meeting or special shareholders meeting, whether general or not, at which one or more persons are nominated for election to the board by a Nominating Shareholder;

(vi) **“owned beneficially”** or **“owns beneficially”** means, in connection with the ownership of shares in the capital of the Company by a person, (A) any such shares as to which such person or any of such person’s Affiliates or Associates owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement,

arrangement, pledge or understanding whether or not in writing; (B) any such shares as to which such person or any of such person's Affiliates or Associates has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (C) any such shares which are beneficially owned, directly or indirectly, by a Counterparty (or any of such Counterparty's Affiliates or Associates) under any Derivatives Contract (without regard to any short or similar position under the same or any other Derivatives Contract) to which such person or any of such person's Affiliates or Associates is a Receiving Party; provided, however that the number of shares that a person owns beneficially pursuant to this clause (C) in connection with a particular Derivatives Contract shall not exceed the number of Notional Securities with respect to such Derivatives Contract; provided, further, that the number of securities owned beneficially by each Counterparty (including their respective Affiliates and Associates) under a Derivatives Contract shall for purposes of this clause be deemed to include all securities that are owned beneficially, directly or indirectly, by any other Counterparty (or any of such other Counterparty's Affiliates or Associates) under any Derivatives Contract to which such first Counterparty (or any of such first Counterparty's Affiliates or Associates) is a Receiving Party and this proviso shall be applied to successive Counterparties as appropriate; and (D) any such shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Company or any of its securities; and

(vii) “**public announcement**” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company or its agents under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com).

(h) Notwithstanding any other provision to this §14.12, notice or any delivery given to the Corporate Secretary of the Company pursuant to this §14.12 may only be given by personal delivery, facsimile transmission or by email (provided that the Corporate Secretary of the Company has stipulated an email address for purposes of this notice, at such email address as stipulated from time to time), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

(i) In no event shall any adjournment or postponement of a Meeting of Shareholders or the announcement thereof commence a new time period for the giving of a Nominating

Shareholder's notice as described in §14.12(c) or the delivery of a representation and agreement as described in §14.12(e).

## **PART 15**

### **POWERS AND DUTIES OF DIRECTORS**

#### **Powers of Management**

15.1 The directors must, subject to the Act and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the Act or by these Articles, required to be exercised by the shareholders of the Company. Notwithstanding the generality of the foregoing, the directors may set the remuneration of the auditor of the Company.

#### **Appointment of Attorney of Company**

15.2 The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

## **PART 16**

### **INTERESTS OF DIRECTORS AND OFFICERS**

#### **Obligation to Account for Profits**

16.1 A director or senior officer who holds a disclosable interest (as that term is used in the Act) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the Act.

#### **Restrictions on Voting by Reason of Interest**

16.2 A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

### **Interested Director Counted in Quorum**

16.3 A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

### **Disclosure of Conflict of Interest or Property**

16.4 A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the Act.

### **Director Holding Other Office in the Company**

16.5 A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

### **No Disqualification**

16.6 No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

### **Professional Services by Director or Officer**

16.7 Subject to the Act, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

### **Director or Officer in Other Corporations**

16.8 A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the Act, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

## **PART 17**

### **PROCEEDINGS OF DIRECTORS**

#### **Meetings of Directors**

17.1 The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

#### **Voting at Meetings**

17.2 Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting has a second or casting vote.

#### **Chair of Meetings**

17.3 The following individual is entitled to preside as chair at a meeting of directors:

- (a) the chair of the board, if any;
- (b) in the absence of the chair of the board, the president, if any, if the president is a director; or
- (c) any other director chosen by the directors if:
  - (i) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;
  - (ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or
  - (iii) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

#### **Meetings by Electronic, Telephonic, Hybrid or Other Communications Medium**

17.4 A director may participate in a meeting of the directors or of any committee of the directors:

- (a) in person; or
- (b) by electronic, telephonic, hybrid or by other communications medium if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other.

A director who participates in a meeting in a manner contemplated by this §17.4 is deemed for all purposes of the Act and these Articles to be present at the meeting and to have agreed to participate in that manner.

### **Calling of Meetings**

17.5 A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

### **Notice of Meetings**

17.6 Other than for meetings held at regular intervals as determined by the directors pursuant to §17.1, 48 hours' notice or such lesser notice as the Chairman in his discretion determines, acting reasonably, is appropriate in any unusual circumstances of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors by any method set out in §23.1 or orally or by telephone.

### **When Notice Not Required**

17.7 It is not necessary to give notice of a meeting of the directors to a director if:

- (a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or
- (b) the director has waived notice of the meeting.

### **Meeting Valid Despite Failure to Give Notice**

17.8 The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director, does not invalidate any proceedings at that meeting.

### **Waiver of Notice of Meetings**

17.9 Any director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director. Attendance of a director at a meeting of the directors is a waiver of notice of the meeting unless that director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

### **Quorum**

17.10 The quorum necessary for the transaction of the business of the directors may be set by the directors to a number not less than 50% of the directors in office, and, if not so set, is

deemed to be a majority of the directors in office, or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

### **Validity of Acts Where Appointment Defective**

17.11 Subject to the Act, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

### **Consent Resolutions in Writing**

17.12 A resolution of the directors or of any committee of the directors may be passed without a meeting:

- (a) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or
- (b) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who have not made such a disclosure consents in writing to the resolution.

A consent in writing under this §17.12 may be by signed document, fax, email or any other method of transmitting legibly recorded messages. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this §17.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the Act and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

## **PART 18**

### **EXECUTIVE AND OTHER COMMITTEES**

#### **Appointment and Powers of Executive Committee**

18.1 The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

- (a) the power to fill vacancies in the board of directors;
- (b) the power to remove a director;
- (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and



- (d) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

### **Appointment and Powers of Other Committees**

18.2 The directors may, by resolution:

- (a) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
- (b) delegate to a committee appointed under §(a) any of the directors' powers, except:
  - (i) the power to fill vacancies in the board of directors;
  - (ii) the power to remove a director;
  - (iii) the power to change the membership of, or fill vacancies in, any committee of the directors; and
  - (iv) the power to appoint or remove officers appointed by the directors; and
- (c) make any delegation referred to in §(b) subject to the conditions set out in the resolution or any subsequent directors' resolution.

### **Obligations of Committees**

18.3 Any committee appointed under §18.1 or §18.2, in the exercise of the powers delegated to it, must:

- (a) conform to any rules that may from time to time be imposed on it by the directors; and
- (b) report every act or thing done in exercise of those powers at such times as the directors may require.

### **Powers of Board**

18.4 The directors may, at any time, with respect to a committee appointed under §18.1 or §18.2:

- (a) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;
- (b) terminate the appointment of, or change the membership of, the committee; and
- (c) fill vacancies in the committee.

## **Committee Meetings**

18.5 Subject to §18.3(a) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under §18.1 or §18.2:

- (a) the committee may meet and adjourn as it thinks proper;
- (b) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (c) a majority of the members of the committee constitutes a quorum of the committee; and
- (d) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

## **PART 19**

### **OFFICERS**

#### **Directors May Appoint Officers**

19.1 The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

#### **Functions, Duties and Powers of Officers**

19.2 The directors may, for each officer:

- (a) determine the functions and duties of the officer;
- (b) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and
- (c) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

#### **Qualifications**

19.3 No person may be appointed as an officer unless that person is qualified in accordance with the Act. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as a managing director must be a director. Any other officer need not be a director.

## Remuneration and Terms of Appointment

19.4 All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors thinks fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

## PART 20

### INDEMNIFICATION

#### Definitions

20.1 In this Part 20:

- (a) “**eligible party**”, in relation to a company, means an individual who:
  - (i) is or was a director or officer of the Company;
  - (ii) is or was a director or officer of another corporation
    - (A) at a time when the corporation is or was an affiliate of the Company, or
    - (B) at the request of the Company; or
  - (iii) at the request of the Company, is or was, or holds or held a position equivalent to that of, a director or officer of a partnership, trust, joint venture or other unincorporated entity;and includes, except in the definition of “eligible proceeding”, and §163(1)(c) and (d) and §165 of the Act, the heirs and personal or other legal representatives of that individual;
- (b) “**eligible penalty**” means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (c) “**eligible proceeding**” means a proceeding in which an eligible party or any of the heirs and personal or other legal representatives of the eligible party, by reason of the eligible party being or having been a director or officer of, or holding or having held a position equivalent to that of a director or officer of, the Company or an associated corporation
  - (i) is or may be joined as a party; or
  - (ii) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;

(d) “**expenses**” has the meaning set out in the Act and includes costs, charges and expenses, including legal and other fees, but does not include judgments, penalties, fines or amounts paid in settlement of a proceeding; and

(e) “**proceeding**” includes any legal proceeding or investigative action, whether current, threatened, pending or completed.

### **Mandatory Indemnification of Eligible Parties**

20.2 Subject to the Act, the Company must indemnify each eligible party and the heirs and legal personal representatives of each eligible party against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each eligible party is deemed to have contracted with the Company on the terms of the indemnity contained in this §20.2.

### **Indemnification of Other Persons**

20.3 Subject to any restrictions in the Act, the Company may agree to indemnify and may indemnify any person (including an eligible party) against eligible penalties and pay expenses incurred in connection with the performance of services by that person for the Company.

### **Authority to Advance Expenses**

20.4 The Company may advance expenses to an eligible party to the extent permitted by and in accordance with the Act.

### **Non-Compliance with Act**

20.5 Subject to the Act, the failure of an eligible party of the Company to comply with the Act or these Articles or, if applicable, any former *Companies Act* or former Articles does not, of itself, invalidate any indemnity to which he or she is entitled under this Part 20.

### **Company May Purchase Insurance**

20.6 The Company may purchase and maintain insurance for the benefit of any eligible party (or the heirs or legal personal representatives of any eligible party) against any liability incurred by any eligible party.

## **PART 21**

### **DIVIDENDS**

#### **Payment of Dividends Subject to Special Rights**

21.1 The provisions of this Part 21 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

## **Declaration of Dividends**

21.2 Subject to the Act, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

## **No Notice Required**

21.3 The directors need not give notice to any shareholder of any declaration under §21.2.

## **Record Date**

21.4 The directors must set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months.

## **Manner of Paying Dividend**

21.5 A resolution declaring a dividend may direct payment of the dividend wholly or partly in money or by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company or any other corporation, or in any one or more of those ways.

## **Settlement of Difficulties**

21.6 If any difficulty arises in regard to a distribution under §21.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

- (a) set the value for distribution of specific assets;
- (b) determine that money in substitution for all or any part of the specific assets to which any shareholders are entitled may be paid to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (c) vest any such specific assets in trustees for the persons entitled to the dividend.

## **When Dividend Payable**

21.7 Any dividend may be made payable on such date as is fixed by the directors.

## **Dividends to be Paid in Accordance with Number of Shares**

21.8 All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

## **Receipt by Joint Shareholders**

21.9 If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

### **Dividend Bears No Interest**

21.10 No dividend bears interest against the Company.

### **Fractional Dividends**

21.11 If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

### **Payment of Dividends**

21.12 Any dividend, bonuses or other distribution payable in money in respect of shares may be paid by cheque sent through the post or by electronic transfer, so authorized by the shareholder, directed to the registered address of the shareholder or the account specified by such shareholder, or in the case of joint shareholders, to the registered address of that one of the joint shareholders who is first named on the register or the account specified by such joint shareholder, or to such person and to such address as the shareholder or joint shareholders may direct in writing. Every such cheque shall be made payable to the order of the person whom it is sent. The mailing of such cheque or the forwarding by electronic transfer shall, to the extent of the sum represented thereby (plus the amount of any tax required by law to be deducted) discharge all liability for the dividend, unless such cheque shall not be paid on presentation or the amount of tax so deducted shall not be paid to the appropriate taxing authority.

### **Capitalization of Retained Earnings or Surplus**

21.13 Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any retained earnings or surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the retained earnings or surplus so capitalized or any part thereof.

## **PART 22**

### **ACCOUNTING RECORDS AND AUDITOR**

#### **Recording of Financial Affairs**

22.1 The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the Act.

#### **Inspection of Accounting Records**

22.2 Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

## PART 23

### NOTICES

#### Method of Giving Notice

23.1 Unless the Act or these Articles provide otherwise, a notice, statement, report or other record required or permitted by the Act or these Articles to be sent by the Company to a person may be sent by:

- (a) mail addressed to the person at the applicable address for that person as follows:
  - (i) for a record mailed to a shareholder, the shareholder's registered address;
  - (ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
  - (iii) in any other case, the mailing address of the intended recipient;
- (b) delivery at the applicable address for that person as follows, addressed to the person:
  - (i) for a record delivered to a shareholder, the shareholder's registered address;
  - (ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
  - (iii) in any other case, the delivery address of the intended recipient;
- (c) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (d) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;
- (e) physical delivery to the intended recipient; or
- (f) as otherwise permitted by any securities legislation in any province or territory of Canada or in the federal jurisdiction of the United States or in any states in the United States that is applicable to the Company and all regulations and rules made and promulgated under that legislation and all administrative policy statements, blanket orders and rulings, notices and other administrative directions issued by securities commissions or similar authorities appointed under that legislation.

### **Deemed Receipt of Mailing**

23.2 A notice, statement, report or other record that is:

- (a) mailed to a person by ordinary mail to the applicable address for that person referred to in §23.1 is deemed to be received by the person to whom it was mailed on the day (Saturdays, Sundays and holidays excepted) following the date of mailing;
- (b) faxed to a person to the fax number provided by that person referred to in §23.1 is deemed to be received by the person to whom it was faxed on the day it was faxed; and
- (c) emailed to a person to the e-mail address provided by that person referred to in §23.1 is deemed to be received by the person to whom it was e-mailed on the day that it was emailed.

### **Certificate of Sending**

23.3 A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report or other record was sent in accordance with §23.1 is conclusive evidence of that fact.

### **Notice to Joint Shareholders**

23.4 A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing such record to the joint shareholder first named in the central securities register in respect of the share.

### **Notice to Legal Personal Representatives and Trustees**

23.5 A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (a) mailing the record, addressed to them:
  - (i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
  - (ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (b) if an address referred to in §(a)(ii) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.



## **Undelivered Notices**

23.6 If on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to §23.1 and on each of those occasions any such record is returned because the shareholder cannot be located, the Company shall not be required to send any further records to the shareholder until the shareholder informs the Company in writing of his or her new address.

## **PART 24**

### **SEAL**

#### **Who May Attest Seal**

24.1 Except as provided in §24.2 and §24.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (a) any two directors;
- (b) any officer, together with any director;
- (c) if the Company only has one director, that director; or
- (d) any one or more directors or officers or persons as may be determined by the directors.

#### **Sealing Copies**

24.2 For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite §24.1, the impression of the seal may be attested by the signature of any director or officer or the signature of any other person as may be determined by the directors.

#### **Mechanical Reproduction of Seal**

24.3 The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the Act or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and such persons as are authorized under §24.1 to attest the Company's seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

Full name and signature of each Director	Date of signing
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