

BARU GOLD CORP.

INFORMATION CIRCULAR

THIS INFORMATION CIRCULAR CONTAINS INFORMATION AS AT November 24, 2023.

This Information Circular is furnished in connection with the solicitation of Proxies by the management of the Company for use at the Annual and Special General Meeting (the “Meeting”) of the shareholders of BARU GOLD CORP. (the “Company” or “Issuer”) to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting, and at any adjournment thereof.

“Beneficial Shareholders” means shareholders who do not hold 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.

GENERAL PROXY INFORMATION

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. In accordance with National Instrument 54-101 of the Canadian Securities Administrators, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the voting common shares in the capital of the Company (the “Shares”) held on a record by such persons and the Company may reimburse such persons for reasonable fees and disbursements incurred by them in so doing. All costs of this solicitation will be borne by the Company.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy are directors, officers or other representatives of the Company. A shareholder entitled to vote at the Meeting has the right to appoint a person or company, who need not be a shareholder, to attend and act for the shareholder on the shareholder's behalf at the Meeting other than either the persons or company designated in the accompanying form of proxy, and may do so either by inserting the name of that other person in the blank space provided in the accompanying form of proxy or by completing and delivering another suitable form of proxy.

Voting by Proxyholder

The persons named in the accompanying form of proxy will vote or withhold from voting the Shares represented thereby in accordance with the instructions of the shareholder on any ballot that may be called for. If the shareholder has specified a choice with respect to any matter to be acted upon, the Shares will be voted accordingly. The proxy confers discretionary authority on the nominees 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 accompanying form of proxy will vote the Shares represented by the proxy at their own discretion 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 electing to submit a proxy may do so by choosing one of the following methods:

- (a) complete, date and sign the enclosed form of proxy and return 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 or by hand to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; or
- (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 proxy access number; or
- (c) log onto Computershare's website at 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 proxy access number.

Registered Shareholders must ensure the proxy is received by COMPUTERSHARE TRUST COMPANY OF CANADA, 100 UNIVERSITY AVENUE, 8TH FLOOR, TORONTO, ON M5J 2Y1 at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof, unless otherwise provided in the instructions accompanying the proxy.

Beneficial Shareholders

The information set forth in this section is of significant importance to many shareholders of the Company, as a substantial number of shareholders do not hold Shares in their own name. Shareholders who do not hold their Shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of Shares, or as set out in the following disclosure, can be recognized and acted upon at the Meeting.

If Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Shares will not be registered in the Shareholder's name on the records of the Company. Such Shares will more likely be registered under the names of the Shareholder's broker or an agent of that broker. In the United States, the vast majority of such Shares are registered 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), and in Canada, 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).

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

There are two kinds of Beneficial owners - those who object to their name being made known to the issuers of securities which they own (called "OBOs" for "*Objecting Beneficial Owners*") and those who do not object to the issuers of the securities they own knowing who they are (called "NOBOs" for "*Non-Objecting Beneficial Owners*").

The Company is availing itself under National Instrument 54-101 for the Company to deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a Voting Instruction Form (“VIF”) from our transfer agent, COMPUTERSHARE TRUST COMPANY OF CANADA, 100 UNIVERSITY AVENUE, 8TH FLOOR, TORONTO, ON M5J 2Y1. The VIF is to be completed and returned to the transfer agent in the envelope provided or by facsimile, or a NOBO has the option to submit their proxy vote either by telephone or via the internet in the manner described on the VIF. The transfer agent shall tabulate the results of the voting on the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Shares represented by those VIFs.

These securityholder materials are sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent sent these materials directly to you, your name, address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in your request for voting instructions.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Shares are voted at the Meeting.

The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the form of proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“Broadridge”) in the United States and in Canada. Broadridge mails a VIF in lieu of the form of proxy provided by the Company. The VIF will name the same persons as the proxy to represent the Beneficial Shareholder at the Meeting, and that person may be the Beneficial Shareholder themselves. A Beneficial Shareholder has the right to appoint a person (who need not be a Beneficial Shareholder of the Company) other than the persons designated in the VIF, to represent the Beneficial Shareholder at the Meeting. To exercise this right, the Beneficial Shareholder should insert the name of the desired representative 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 the voting of Shares to be represented at the Meeting. A Beneficial Shareholder receiving a VIF from Broadridge cannot use it to vote Shares directly at the Meeting - the VIF must be returned to Broadridge, as the case may be, well in advance of the Meeting in order to have the Shares voted. Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of his broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the Registered Shareholder and vote the Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Shares as proxyholder for the registered shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Alternatively, Beneficial Shareholders may request in writing that their broker send to them a legal proxy which would enable them to attend at the Meeting and vote their Shares.

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 either 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 TRUST COMPANY OF CANADA, 100 UNIVERSITY AVENUE, 8TH FLOOR, TORONTO, ON M5J 2Y1 or at the address of the registered office of the Company at Suite 1780 - 400 Burrard Street, Vancouver, B.C. V6C 3A6, 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. In addition, a proxy may be revoked by the registered shareholder personally by attending the Meeting and voting the registered shareholder's 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

None of the directors or executive officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any proposed 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 matter to be acted on at the Meeting other than the election of directors and as set out herein.

CORPORATE STRUCTURE

Name and Incorporation

The Company is a Canadian publicly listed mineral entity that is focused on developing precious metals projects in Indonesia. The Company was incorporated as “Walloper Gold Resources Ltd.” under the Company Act (British Columbia) on June 5, 1996, and changed its name to “East Asia Minerals Corporation” on April 22, 2005. The Company amalgamated with its wholly owned Ontario subsidiary “EAM East Asia Minerals Corporation” as “East Asia Minerals Corporation” on August 24, 2007. The Company changed its name from East Asia Minerals Corporation to “Baru Gold Corp.” on October 20, 2020.

The Company trades on the TSX Venture Exchange under the symbol “BARU”. The Company is building a new gold production facility in Indonesia and is a dynamic junior gold developer with NI 43-101 gold resources in Indonesia, one of the top 10 gold producer countries in the world.

The Company’s full corporate name is 9th Floor, 1021 West Hastings St.,
“Baru Gold Corp.” and its addresses Vancouver, B.C. V6E 0C3
are as follows: Head Office and
Mailing Address:

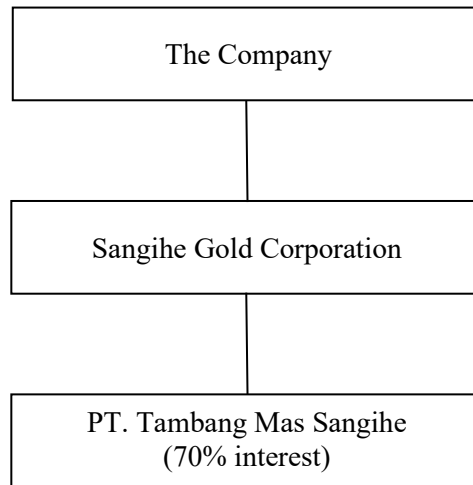
Registered and Records Office: Suite 1400, 1125 Howe Street,
Vancouver, British Columbia
V6Z 2K8

Intercorporate Relationships

The Company has one wholly owned subsidiary, Sangihe Gold Corporation (“SGC” or, the “Subsidiary”) which was incorporated under the *Business Corporation Act* (British Columbia) on January 25, 2011. SGC’s registered address is Suite 1400, 1125 Howe Street, Vancouver, B.C. V6Z 2K8. The head office of the SGC is located at 9th Floor, 1021 West Hastings St., Vancouver, B.C. V6E 0C3.

SGC holds 70% interest in PT. Tambang Mas Sangihe (“PTTMS”), an Indonesian entity held jointly with certain Indonesian joint venture partners.

Intercorporate relationship between the Company and the Subsidiary



Description the Business

The Company is an Indonesian-based Canadian mineral resources company. The Company’s common shares currently trade on the TSX Venture Exchange under the symbol “BARU”. The Company is building a new gold production facility in Indonesia and is a dynamic junior gold developer with NI 43-101 gold resources in Indonesia.

The Company intends to proceed to production without the benefit of first establishing mineral reserves supported by a feasibility study. The Company cautions readers that any production decision made by the Company will not be based on a NI 43-101 feasibility study of mineral reserves that demonstrates economic and technical viability and as such, there may be involved increased uncertainty and various technological and economic risks such as the interpretation of drill results; the geology, grade and continuity of mineral deposits; the possibility that future exploration, development or mining results will not be consistent with our expectations; commodity and currency price fluctuation; failure to obtain adequate financing; regulatory, recovery rates, refinery costs, and other relevant conversion factors, permitting and licensing risks; general market and mining exploration risks and production and economic risks related to design and engineering, manufacturing, technological processes and test procedures and the risk that the project’s output will not be salable at a price that will cover the project’s operating and maintenance costs.

The mining and finance professionals of the Company are based both in North America and locally in Indonesia and boast extensive experience in starting and operating small-scale gold assets. The business

objective of the Company is to take advantage of the increased interest in gold and precious metals with both exploration upsides and operation cashflow in 2024.

Three-Year History

The Company is an Indonesian-based Canadian mineral resources company and trades on the TSX Venture Exchange under the symbol “BARU”. In 2020, the Company reached milestones including, the receipt of the environmental permit (“AMDAL”), and paid the outstanding mining asset tax, colloquially referred to as “dead-rent tax”, on its Sangihe Gold project. During the year ended August 31, 2021, the Company’s license was upgraded to ‘Operation Production License’ to advance the project to construction and production.

At the year ended August 31, 2021, the Company paid the outstanding “dead-rent tax” on the Sangihe gold project of approximately \$356,000 (approximately 3,800,000,000 Indonesian Rupiah). The Company paid its taxes to the representative office of the Ministry of Energy and Mineral Resources (“MEMR”) which brought the Company’s financial obligations to regulators for the project current. The Operation Production License is now the only remaining government administrative item outstanding before the project can advance to construction and operations.

The Company closed a private placement of \$4,400,000 through the issuance of 29,333,331 units priced at \$0.15 per unit on October 21, 2020. Each unit consisted of one common share and one common share purchase warrant in the capital of the Company. Each warrant shall be exercisable into one share at an exercise price of \$0.25 for three years from the date of issuance.

The Company’s work plan and budget (Rencana Kerja Anggaran Belanja (RKAB)) for PT Tambang Mas Sangihe (TMS) for 2021 was formally approved by the Ministry of Energy and Mineral Resources. The RKAB includes planning and proposed expenditures for construction, mining, production, community programs, environmental rehabilitation, and geological and geotechnical investigations for 2021. The RKAB is a formal annual requirement for all mining concessions in Indonesia, whether in the exploration or production phase, and the approval is a prerequisite to any activities being carried out in that particular year.

The Company updated the stakeholders on the progress made by Martin Jati Lawyers on the land acquisition process announced August 22, 2020. The land acquisition survey has allowed the Company to identify the area of interest around the Sangihe Gold Project based on recommendations and analysis from the Company’s chief operation officer, Garry Kielenstyn, and chief geologist, Frank Rocca, in Indonesia. The land acquisition team of Martin Jati has commenced with the land acquisition of the phase one mining area based on the results from the survey in Q1 2021.

On January 22, 2021, the Company began trading on the OTCQB Venture Market under the ticker symbol BARUF and the Company’s management engineering team mobilized to the project site on Sangihe Island, Indonesia.

On February 3, 2021, the Ministry of Energy and Mineral Resources (MEMR) upgraded its Sangihe Gold Project Contract of Work (“CoW”) to Operation Production status after a three month delay due to the Covid-19 pandemic in Indonesia.

On February 5, 2021, the Company approved a new shareholder rights plan pursuant to a shareholder rights agreement between the Company and Computer Trust Company of Canada as rights agent.

On March 11, 2021, the Company approved the 2021 annual budget which included a 35,000-metre Resource Development drilling program targeted to start in mid-2021 and run for 13 months until completion.

On March 24, 2021, the Company reported on its Corporate Social Responsibility (CSR) efforts to improve the community on Sangihe Island where the Company's gold project is located. The Company begun its early stages of implementing its CSR programs and identified eight key community development directives.

On May 6, 2021, the Company amended the exercise term of 1,434,000 outstanding common share purchase warrants issued on May 8, 2019 from May 8, 2021 to June 8, 2021 and 3,928,000 outstanding share purchase warrants issued on June 17, 2019 from June 17, 2021 to July 17, 2021.

On June 23, 2021, the Ministry of Energy and Mineral Resources (the "MEMR") was named a defendant at Jakarta Administrative Court to annul the production upgrade granted by the Ministry. PTTMS was not named in the lawsuit, however, the Company applied as intervening defendant to protect its interest in the Sangihe Project and contest the plaintiff's claim. On April 20, 2022, the case was dismissed. The Plaintiff appealed the decision and on August 31, 2022, the Court ruled in favor of the plaintiff. PTTMS filed an appeal to the Supreme Court of Indonesia and on January 16, 2023, the Court decided that the Operational Permit be cancelled. On May 29, 2023, the MEMR on May 29, 2023, following MEMR's review of the Jakarta Lawsuit, the Ministry confirmed the Company had fulfilled all necessary requirements of the CoW for Production Operation Status and was legally allowed to operate and produce gold. The MEMR is the Republic of Indonesia's sole designated representative and has the final authority in overseeing, administrating, and authorizing the Company's actions according to the CoW. The Company decided the best action and long-term solution is to obtain a new Decree from the Minister of MEMR granting the Stage of Activity to Production Operation Status. A final step in applying for a new Production Operation Status is requesting the cancellation of the current Production Operation Status. On August 24, 2023, the MEMR formally accepted a summary of the conclusions reached with the Company to issue a new Decree granting the Stage of Activity upgrade to Production Operation Status and the Company received notice of the cancellation on September 8, 2023. On September 11, 2023, the Company filed with the MEMR a new request for an upgrade to Production Operation Status with all required documentation and conditions met. The key difference between the original and new request is the size of the operational area. As of the date of this circular, the Company is waiting for the re-issue to Production Operation Status upgrade.

On October 2021, a lawsuit was filed against two government departments responsible for the issuance of the Environmental Permit ("AMDAL") to Baru's subsidiary, PT Tambang Mas Sangihe ("TMS"). While TMS was not named in the Manado Lawsuit, the court granted permission for a representative of TMS to attend the proceedings in support of the government departments. This lawsuit has now been reviewed at each level of Indonesia's judicial system. A panel of judges heard the case at the Manado Administrative District Court on June 2, 2022, Makassar Administrative High Court and on September 7, 2022 and on January 9, 2023, the Supreme Court of Indonesia ruled in favour of the Company. The validity of the process, procedures and the awarding of the AMDAL have been reaffirmed and the plaintiff's complaints dismissed in their entirety. The ruling can no longer be appealed; the decision is final.

On November 4, 2021, the Company issued 10,020,000 units in the first tranche and on November 30, 2021, the Company issued 6,740,000 units in the second tranche for an aggregate of 16,760,000 units for proceeds of \$1,676,000. Each unit consisted one common share and one-half share purchase warrant. Each full warrant had an exercise term on of 2 years from the date of issuance for conversion into one common share of the Company at an exercise price of \$0.17.

On April 5, 2022, the Company granted 900,000 stock options to directors, employees and consultants of the Company at an exercise price of \$0.06 per share for a two-year period from the issue date.

On July 19, 2022, the Company closed a secured convertible loan for net proceeds of US\$1,500,000 (\$1,940,000 Canadian).

On July 19, 2022, the Company issued 15,000,000 share purchase warrants having a term of 2 years with an exercise price of \$0.065 per common share.

On July 19, 2022, the Company entered into a two (2) year secured convertible debenture arrangement with an unrelated third party, Mercer Street Global Opportunity Fund, for gross principal balance of US\$1,500,000 which together with interest payments is a total of US\$2,000,000. The convertible debenture is repayable in cash in eighteen equal monthly installments equal to US\$111,111 which commenced on February 1, 2023. The principal balance can also be converted into common shares of the Company at a rate of US\$0.0384 per share at Mercer's option any time after the 4th month from July 15, 2022. On the closing date the Company paid a total of US\$ 25,000 in legal fees which will be amortized over the term of the loan.

The Company determined the convertible debenture was a compound financial instrument, which contains three components: i) financial liability – convertible debt, ii) the equity portion of the convertible debt, and iii) the detachable warrants.

On initial recognition, the Company determined the fair value of the liability component to be US\$1,128,928 which was determined by calculating the present value of the future cash flows of the loan assuming a discount rate of 16.67% per year. The fair value of the equity component was determined to be US\$371,072 which was allocated between the equity portion of the convertible debt and the detachable warrants using the relative fair value method (US\$212,041 and US\$159,031 respectively). These components are not subsequently remeasured.

The debt component of the convertible note is being accreted over the term to maturity, with accretion charge included in interest expense. The balance of the convertible debenture owing as of August 31, 2022 was \$1,526,105.

The Company is in default of paying the monthly installments of US\$111,111 to Mercer for the period April to November 2023. The Company is mitigating the consequences and damages that may result through discussion with Mercer and raising of fund through private placement and the entry with production with various funders regarding the Sangihe Project.

On August 31, 2022, the Company granted 1,700,000 stock options to directors, employees and consultants of the Company at an exercise price of \$0.05 per share for a two-year period from the issue date.

On December 31, 2022, the Company granted 200,000 stock options to a director of the Company at an exercise price of \$0.05 per share for a five-year period from the issue date.

On January 4, 2023, the Company announced a \$1,500,000 non-brokered private placement that consisted up to 75,000,000 units priced at \$0.02 per unit. Each unit comprised of one common share in the capital of the Company and one non-transferable common share purchase warrant. Each Warrant entitled the holder to purchase one additional Share at an exercise price of \$0.05 for the first year and at \$0.10 for the second year from the date of issuance.

On January 26, 2023, the Company announced the closing of the first tranche of the \$1,500,000 financing previously announced on January 4, 2023. The Company secured \$140,800 issuing 7,040,000 units. \$3,290 were paid finder's fees and 164,500 non-transferable finder's warrants were issued.

The agreement that the Company entered in with an Asian-based Investment and Banking Advisory Firm to assist with placing a US\$1,500,000 gold-prepayment agreement was terminated.

On February 21, 2023, the Company announced a \$2,250,000 non-brokered private placement consisting of up to 75,000,000 priced at \$0.03 per unit. Each unit comprised one common share in the capital of the company and one transferable common share purchase warrant. Each warrant entitled the holder to purchase one additional share at an exercise price of \$0.05 for the first year and \$0.10 cents for the second year during a two-year term.

On March 3, 2023, the Company announced closing of \$20,000 financing for 1,000,000 units in the second and final tranche of the \$1,500,000 financing previously announced on January 4, 2023.

On March 3, 2023, the Company announced closing of \$170,453.98 for issuance of 5,681,799 units in the first tranche of the \$2,250,000 financing previously announced on February 21, 2023.

On March 20, 2023, the Company announced closing of \$223,650 for issuance of 7,455,000 units in the second tranche of the \$2,250,000 financing previously announced on February 21, 2023.

On May 1, 2023, the Company granted 2,575,000 stock options to directors, employees and consultants of the Company at an exercise price of \$0.05 per share for a two-year period from the issue date.

On May 30, 2023, the Company received official correspondence from the Director of Engineering and Environment at MEMR affirming the Company's operation license (number 163.K/MB.04/DJB/2021) legal status to operate and produce gold on Sangihe Island. Further, MEMR requested police cooperation with the Company, and preventing all illegal minings on Sangihe Island. Subsequently, in light of the Supreme Court decision pertaining to the court case filed June 21, 2021, the Company decided the best action and long-term solution is to obtain a new Decree from the Minister of MEMR granting the Stage of Activity to Production Operation Status. A final step in applying for a new Production Operation Status is requesting the cancellation of the current Production Operation Status. On August 24, 2023, the MEMR formally accepted a summary of the conclusions reached with the Company to issue a new Decree granting the Stage of Activity upgrade to Production Operation Status and the Company received notice of the cancellation on September 8, 2023. On September 11, 2023, the Company filed with the MEMR a new request for an upgrade to Production Operation Status with all required documentation and conditions met. The key difference between the original and new request is the size of the operational area. As of the date of this circular, the Company is waiting for the re-issue to Production Operation Status upgrade.

On June 16, 2023, the Company announced a \$100,000 non-brokered private placement consisting of up to 3,333,333 units priced at \$0.03 per unit. Each unit is comprised of one common share in the capital of the Company and one transferable common share purchase warrant. Each warrant entitled the holder to purchase one additional share at an exercise price of \$0.05 for the first year and \$0.10 cents for the second year during a two-year term

On June 26, 2023, the Company issued 3,966,666 units, priced at \$0.03 per unit for an aggregate of \$118,999.99. Each unit comprised of one common share in the capital of the Company and one transferable common share purchase warrant. Each Warrant exercisable for one Share for 2 years from the date of issuance at an exercise price of \$0.05 for the first year and \$0.10 for the second year. The Company paid \$420 finder's fees and issued 14,000 finder's warrants at an exercise price of \$0.05 for the first year and \$0.10 for the second year.

On July 25, 2023, the Company, announced that its Board of Directors has approved a new shareholder rights plan pursuant to a shareholder rights agreement between the Company and Computer Trust Company of Canada as rights agent. The Plan has been adopted to ensure the fair treatment of all shareholders in connection with any take-over bid for the Company.

On October 3, 2023, the Company announced a \$100,000 non-brokered private placement consisting of up to 2,500,000 units priced at \$0.04 per unit and subsequently increased the private placement to \$155,000 for up to 3,875,000 units on October 11, 2023. Each unit comprised one common share in the capital of the company and one non-transferable common share purchase warrant. Each warrant entitled the holder to purchase one additional share at an exercise price of \$0.07 for the first year and \$0.10 cents for the second year during a two-year term.

On October 13, 2023, the Company announced that it had completed the \$155,000 private placement and issued 3,875,000 units previously announced on October 3, 2023 and October 11, 2023. The Company paid \$720 and 18,000 non-transferable finder's warrants in finder's fees.

On November 13, 2023, the Company, announced that its Board of Directors has approved the settlement in the amount of \$183,139.68 of debt through the issuance of common shares of the Company. Pursuant to the Debt Settlement, the Company would issue 6,104,656 common shares of the Company at a deemed price of **\$0.03** per common share to Terrence Filbert, the Chairman and CEO of the Company.

SUMMARY OF SELECTED FINANCIAL INFORMATION

Selected Financial Information

The selected financial information set out below is based on and derived from the financial statements of the Company as of the date and for the period indicated.

	Year ended, August 31, 2022	Year ended, August 31, 2021	Year ended, August 31, 2020
	\$	\$	\$
Total revenues	-	-	-
Income (loss) for the year	(2,298,341)	(4,069,939)	(1,925,825)
Basic and diluted earnings (loss) per share	(0.01)	(0.02)	(0.02)
Total assets	8,203,732	6,546,891	3,265,557
Total long-term liabilities	945,723	-	-

Summary of Quarterly Results

	May 31, 2023	February 28, 2023	November 30, 2022	August 31, 2022
	\$	\$	\$	\$
Total revenues	-	-	-	\$ -
Income (loss) for the period	(714,504)	(768,045)	(902,172)	(640,125)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	9,420,674	8,902,211	8,320,489	8,203,732
Total long-term liabilities	144,773	1,180,460	1,140,971	945,723

	May 31, 2022	February 28, 2022	November 30, 2021	August 31, 2021
	\$	\$	\$	\$
Total revenues	\$ -	-	-	-
Income (loss) for the period	(554,472)	(534,964)	(568,780)	(770,890)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	7,216,931	7,267,686	7,696,608	6,546,891
Total long-term liabilities	110,771	89,109	16,698	-

Exploration and Evaluation Assets

Sangihe Project

The Sangihe Gold project is located on the Sangihe Island on the northern coast of Sulawesi in Indonesia and has an existing National Instrument 43-101 inferred mineral resource of 114,700 indicated and 105,000 inferred ounces of gold as reported in the Company's "Independent Technical Report on the Mineral Resource Estimates of the Binebase and Bawone Deposits, Sangihe Project, North Sulawesi, Indonesia" dated May 30, 2017. The complete NI 43-101 Resource Estimate can be accessed on the SEDAR+ website at www.sedarplus.ca.

DESCRIPTION OF THE SECURITIES

Common Shares

As of the date of this information circular, **232,939,851** Common Shares are issued and outstanding as fully paid and non-assessable securities. The holders of Common Shares are entitled to receive notice of and to

attend all meetings of the Company's shareholders and to vote (one vote per Common Share) at such meetings. Holders of Common Shares are, at the discretion of the Company's board of directors and subject to applicable legal restrictions, entitled to receive rateably any dividends declared by the board of directors on the Common Shares from time to time, and are entitled to participate rateably in any distribution to the Company's shareholders upon a liquidation, dissolution or winding-up. There are no pre-emptive, redemption or outstanding conversion rights attached to the Common Shares. In the event of dissolution or winding up of the affairs of the Issuer, holders of the Common Shares are entitled to share rateably in all assets of the Company remaining after payment of all amounts due to creditors.

Consolidated capitalization

The following table sets forth the share capital of the Issuer as at the dates below. The table should be read in conjunction with and is qualified in its entirety by the Issuer's unaudited financial statements for the nine months ended May 31, 2023 and the audited financial statements for the fiscal year ended August 31, 2022.

Designation	As of May 31, 2023 (unaudited)	As of August 31, 2022 (audited)
Common Shares	218,993,529	197,816,730
Stock Options	18,007,822	18,142,842
Warrants	74,511,030	53,169,731
Total Debt	\$6,123,784	\$3,140,217

Prior sales

In the 12 months preceding the date of this Information Circular, the Company issued a total of 35,123,121 of its Common Shares as specified in the following table:

Date	Reason for Issuance	Price per Common Share	Common Shares Issued
January 24, 2023	Non-brokered private placement	\$0.02	7,040,000
February 21, 2023	Non-brokered private placement	\$0.02	1,000,000
February 24, 2023	Non-brokered private placement	\$0.03	5,681,799
March 15, 2023	Non-brokered private placement	\$0.03	7,455,000
June 26, 2023	Non-brokered private placement	\$0.03	3,966,666
October 11, 2023	Non-brokered private placement	\$0.04	3,875,000
November 15, 2023	Shares for Debt	\$0.03	6,104,656

On January 4, 2023, the Company announced a \$1,500,000 non-brokered private placement that consisted up to 75,000,000 units priced at \$0.02 per unit. Each unit comprised of one common share in the capital of the Company and one non-transferable common share purchase warrant. Each Warrant entitled the holder to purchase one additional Share at an exercise price of \$0.05 for the first year and at \$0.10 for the second year from the date of issuance.

On January 26, 2023, the Company announced closing of the first tranche of the \$1,500,000 financing previously announced on January 4, 2023. The Company secured \$140,800 issuing 7,040,000 units. \$3,290 were paid finder's fees and 164,500 non-transferable finder's warrants were issued.

On February 21, 2023, the Company announced a \$2,250,000 non-brokered private placement consisting of up to 75,000,000 priced at \$0.03 per unit. Each unit comprised one common share in the capital of the company and one transferable common share purchase warrant. Each warrant entitled the holder to purchase one additional share at an exercise price of \$0.05 for the first year and \$0.10 cents for the second year during a two-year term.

On March 3, 2023, the Company announced closing of \$20,000 financing for 1,000,000 units in the second and final tranche of the \$1,500,000 financing previously announced on January 4, 2023.

On March 3, 2023, the Company announced closing of \$170,453.98 for issuance of 5,681,799 units in the first tranche of the \$2,250,000 financing previously announced on February 21, 2023.

On March 20, 2023, the Company announced closing of \$223,650 for issuance of 7,455,000 units in the second tranche of the \$2,250,000 financing previously announced on February 21, 2023.

On June 22, 2023, the Company closed issuance of 3,966,666 units, priced at \$0.03 per unit for an aggregate of \$118,999.99. Each unit comprised of one common share in the capital of the Company and one transferable common share purchase warrant. Each Warrant exercisable for one Share for 2 years from the date of issuance at an exercise price of \$0.05 for the first year and \$0.10 for the second year. The Company paid \$420 finder's fees and issued 14,000 finder's warrants at an exercise price of \$0.05 for the first year and \$0.10 for the second year.

On July 25, 2023, the Company, announced that its Board of Directors has approved a new shareholder rights plan pursuant to a shareholder rights agreement between the Company and Computer Trust Company of Canada as rights agent. The Plan has been adopted to ensure the fair treatment of all shareholders in connection with any take-over bid for the Company.

On October 3, 2023, the Company announced a \$100,000 non-brokered private placement consisting of up to 2,500,000 priced at \$0.04 per unit. Each unit comprised one common share in the capital of the company and one transferable common share purchase warrant. Each warrant entitled the holder to purchase one additional share at an exercise price of \$0.07 for the first year and \$0.10 cents for the second year during a two-year term.

On October 11, 2023, the Company closed issuance of 3,875,000 units, priced at \$0.04 per unit for an aggregate of \$155,000.00. Each unit comprised of one common share in the capital of the Company and one transferable common share purchase warrant. Each Warrant exercisable for one Share for 2 years from the date of issuance at an exercise price of \$0.07 for the first year and \$0.10 for the second year. The Company paid \$720 finder's fees and issued 18,000 finder's warrants at an exercise price of \$0.07 for the first year and \$0.10 for the second year.

On November 13, 2023, the Company, announced that its Board of Directors has approved the settlement in the amount of \$183,139.68 of debt through the issuance of common shares of the Company. Pursuant to the Debt Settlement, the Company would issue 6,104,656 common shares of the Company at a deemed price of \$0.03 per common share to Terrence Filbert, the Chairman and CEO of the Company.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors of the Company (the “**Board**”) has fixed **November 24, 2023** as the record date (the “**Record Date**”) for 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 Shares voted at the Meeting.

As of **November 24, 2023**, the Company had outstanding **232,939,851** fully paid and non-assessable Shares without par value, each carrying the right to one vote.

To the knowledge of the directors and executive officers of the Company, only the following person beneficially owned, directly or indirectly, or exercised control or direction over, Shares carrying more than 10% of the voting rights attached to all outstanding Shares of the Company:

<u>Name</u>	<u>Number of Shares</u>	<u>Percentage of Outstanding Shares</u>
CDS & Co. ⁽¹⁾	201,601,115	88.88%

⁽¹⁾ The beneficial shareholders represented by this registered holder(s) are unknown.

The above information was supplied to the Company by the Company's transfer agent.

FINANCIAL STATEMENTS

The comparative audited financial statements of the Company for the year ended August 31, 2022 and the report of the auditor thereof will be placed before the Meeting. The audited financial statements, the report of the auditor, together with the management's discussion and analysis can be found on www.sedarplus.ca.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to approve the resolutions described herein. A special resolution is a resolution passed by a majority of not less than **two-thirds (2/3rds)** of the votes cast by the shareholders who, being entitled to do so, voted in person or by proxy at the Meeting. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

ELECTION OF DIRECTORS

The size of the Board of Directors of the Company is currently determined at **five (5)**. The Board proposes that the number of directors be decreased to **three (3)**. Shareholders will therefore be asked to approve an ordinary resolution that the number of directors elected be fixed at **three (3)**.

Management of the Company recommends that you vote **FOR** fixing the number of directors at **three (3)**. Unless instructed otherwise, the individuals named as proxy holders in the enclosed form of proxy intend to vote any Shares represented thereby as recommended.

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) (“BCA”), each director elected 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 nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of the Company and the number of Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at November 24, 2023.

At the annual general and special meeting held on February 1, 2018, shareholders voted to pass a special resolution for the adoption of a new set of articles for the Company, which new set of Articles contained, inter alia, provisions relating to advance notice procedures with respect to the nomination of persons for election as a director of the Company, the full text of which can be found on the Company’s website. As such, any additional director nominations for the Meeting must have been received by the Company no later than 30 days prior to the date of the meeting. No such nominations have been received as of the date of this Circular. If no such nominations are received by the Company prior to such date, management’s nominees for election as directors set forth below will be the only nominees eligible to stand for election at the Meeting.

Terrence Filbert	
WA, USA	
	CEO and Chairman since April 3, 2017 Director since March 8, 2017
<p>Terrence (Terry) has been closely involved in the mining and exploration industry since 2005, with significant on-the-ground experience in Indonesia. In addition to his extensive knowledge of East Asia’s main projects of Sangihe and Miwah, Terrence brings his entrepreneurial skills from a series of successful business ventures that include technology, import-export and human resources. Previously he was Managing Director of the Shellbridge Group Ltd. that was founded as an Import / Export company with operations in Shanghai and Zhuhai China. Shellbridge exported building materials, including timber and fiberglass insulation from China, Indonesia and USA to Australia. And imported petroleum and energy products into China including coal, petroleum products and asphalt. He supervised the logistics, financing, sourcing and business development. He was also Managing Director of Borneo Resource Investment Ltd., a publicly listed American mining company that mined gold, and developed producing gold mines in North Sulawesi, Republic of Indonesia. Here he was responsible for all management of the company’s Indonesian business, which included building a new mining team, acquiring properties for production, developing those properties for production, legal set-up for Indonesia, business planning and development, financial management and controls, and government and police liaison for mining and company assets. He developed a 5,000 ton gold ore production pad heap leach operation in Ratatotok area, North Sulawesi with the mandate to expand the operation to 35,000 ton total, gold ore production pads, heap leach operation. Another position he held was Managing Director of Big Blue Resources Ltd. located in Hong Kong and Indonesia, which owns thermal coal mining concession licenses in East and Central Kalimantan and high grade Silica concessions in Central Kalimantan Indonesia. This company was founded by Terrence to consolidate under-financed and under-performing mines in Indonesia.</p>	
Board/Committee Membership	Common Shares Owned
Board	9,298,923
Compensation Committee	
Corporate Governance Committee	

R. Scott Chaykin

WA, USA

Director since March 8, 2017

Scott brings over 30 years of experience as an entrepreneurial executive and consulting professional. He brings to the Board hands-on experience in domestic and international financial and administrative management, corporate structuring and compliance, strategic planning, private and public company regulatory compliance, operations, financial modeling, sales and marketing. He is a founder and previously served as Chief Financial Officer, Treasurer, Secretary, and Director of Seattle Sport Sciences, Inc., a sports analytics and technology company, from 2005 to 2009 and again from 2014 to 2018. Previously he also held the positions of Chief Financial Officer, Treasurer and Secretary of Borneo Resource Investments Ltd. from 2011 to 2014. Since 1989 he has run his own consulting business and has been involved with many other companies in the capacities of Controller, Chief Financial Officer or Financial Consultant, and has successfully assisted in the raising of capital for start-up companies. He has worked closely with securities attorneys, investment banks and major accounting firms to complete regulatory filings, including public offering documents and audits. In addition, Scott has expertise in business strategy, financial and commercial planning, and analysis of acquisition candidates. He holds a degree in accounting from the University of Washington, is a Certified Public Accountant and a Chartered Global Management Accountant.

Board/Committee Membership**Common Shares Owned**

Board

221,075

Audit Committee

Compensation Committee

Corporate Governance Committee

Dr. Shidan Murphy

Singapore

Director since December 31, 2022

Dr. Shidan Murphy is an experienced analyst, environmentalist, and advisor based in Asia-Pacific. An award-winning scientist and author of several papers that focus on bird and fish habitat protection, Dr. Murphy started his career as a Research Fellow with the Government of Canada. Dr. Murphy's work focussed on balancing the requirements of environmental protection with urban development. Today, Dr. Murphy helps solve the analytical issues facing organizations across Asia, India and Australia. Dr. Murphy holds a PhD from the University of Toronto.

Board/Committee Membership**Common Shares Owned**

Board

7,331,333

Audit Committee

Corporate Governance Committee

*The information as to the province or state of residence, biography and Shares beneficially owned or over which the nominee exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective nominee.

Unless instructions are given to abstain from voting with respect to the election of directors, the persons named as proxy holders in the enclosed form of proxy intend to **FOR** the election of management's nominees. If, for any reason, any of the above proposed nominees are unable or unwilling to stand for election or to serve as directors, the Company may nominate such alternative nominees as it may see fit.

If there are more nominees for election as directors than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be elected.

Other than as set out above, no proposed director (including any personal holding company of a proposed director), is:

- (1) as at the date of the Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
 - (a) was the subject of a cease trade order (including a management cease trade order which applies to directors or executive officers), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued while such person was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (b) was subject to an order that was issued after such person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer;
- (2) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or 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;
- (3) has, within the 10 years before the date of this Information Circular, 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; or
- (4) has been subject to:
 - (a) any penalties or sanctions imposed by a court relation to securities legislation or by a securities regular authority or has entered into a settlement agreement with a securities regulatory authority since December 31, 2000 the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director; or
 - (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director. No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

CORPORATE GOVERNANCE DISCLOSURE

The Board is committed to sound corporate governance practices which contribute to effective and efficient decision making in the interest of all shareholders.

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Company. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. The Company will continue to review and implement corporate governance guidelines as the business of the Company progresses and becomes more active in operations. National Instrument 58-101 *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices in Form 58-101F2, which disclosure is set out below.

1. Board of Directors

The mandate of the Board is to supervise the management of the Company and to act in the best interests of the Company. The Board acts in accordance with:

- (a) the *Business Corporations Act* (British Columbia);
- (b) the Company's articles of incorporation;
- (c) the charters of the Board and the Board committees; and
- (d) other applicable laws and Company policies.

The Board approves all significant decisions that affect the Company before they are implemented. The Board supervises their implementation and reviews the results.

Of the Company's proposed slate of **three (3)** directors, **two (2)** would be considered independent. The definition of independence used by the Board is that used by the TSX Venture Exchange. A director is independent if he has no "material relationship" with the Company. A "material relationship" is a relationship which could, in view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgement. Certain types of relationships are by their nature considered to be material relationships.

The Board has determined that Messrs. Chaykin and Murphy are independent directors. Mr. Filbert is not independent because he is the CEO of the Company.

The Board is responsible for determining whether or not each director is an independent director. The President, CEO, CFO and Secretary and any other officer are not considered independent. None of the other directors work in the day-to-day operations of the Company, are party to any material contracts with the Company, or receive any fees from the Company except as disclosed in this Information Circular.

The Board is actively involved in the Company's strategic planning process. The Board discusses and reviews all materials relating to the strategic plan with management. The Board is responsible for reviewing

and approving the strategic plan. At least one Board meeting each year is devoted to discussing and considering the strategic plan, which takes into account the risks and opportunities of the business. Management must seek the Board's approval for any transaction that would have a significant impact on the strategic plan.

The Board periodically reviews the Company's business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of the Company's internal control and management information systems. The Board also monitors the Company's compliance with its timely disclosure obligations and reviews material disclosure documents prior to distribution. The Board periodically discusses the systems of internal control with the Company's external auditor.

The Board is responsible for choosing the President and CEO and appointing senior management and for monitoring their performance and developing descriptions of the positions for the Board, including the limits on management's responsibilities and the corporate objectives to be met by the management.

The Board approves all the Company's major communications, including annual and quarterly reports, financing documents and press releases. The Company communicates with its stakeholders through a number of channels including its website. The Board approved the Company's communication policy that covers the accurate and timely communication of all important information. It is reviewed annually. This policy includes procedures for communicating with analysts by conference calls.

The Board, through its audit committee ("Audit Committee"), examines the effectiveness of the Company's internal control processes and management information systems. The Board consults with the external auditor and management of the Company to ensure the integrity of these systems. The external auditor submits a report to the Audit Committee each year on the quality of the Company's internal control processes and management information systems.

2. Directorships

No directors of the Corporation and nominees for director of the Corporation are directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction.

3. Orientation and Continuing Education

The Board briefs all new directors with the policies of the Board, and other relevant corporate and business information.

4. Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity)

of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

5. Nomination of Directors

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, show support for the Company's mission and strategic objectives, and a willingness to serve.

6. Compensation

The Board conducts reviews with regard to directors' compensation once a year. To make its recommendation on directors' compensation, the Board takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies and aligns the interests of Directors with the return to shareholders. The Board decides the compensation of the Company's officers, based on industry standards and the Company's financial situation.

7. Other Board Committees

The Company has a Corporate Governance, Nominating and Compensation Committee having the following charter:

1. The committee was established to review when requested by the Board or Management and articulate the Company's corporate governance philosophy.
2. The committee if requested by the Board shall review the composition and size of the Board.
3. The committee, on an ad hoc basis, shall be responsible for implementing and monitoring the procedures in place to control flow of important information, reviewing potential candidates for Board and management vacancies and assessing and making suitable recommendations for nomination for election to the Board and also to make recommendations in regard of compensation of executive management.

8. Assessments

The Board monitors the adequacy of information given to directors, communication between the board and management and the strategic direction and processes of the board and committees.

AUDIT COMMITTEE

The Audit Committee Charter

The Audit Committee's mandate and charter can be described as follows:

1. Each member of the Audit Committee shall be a member of the Board, in good standing, and the majority of the members of the Audit Committee shall be independent in order to serve on this committee.
2. At least one of the members of the Audit Committee shall be financially literate.
3. Review the Audit Committee's charter annually, reassess the adequacy of this charter, and recommend any proposed changes to the Board. Consider changes that are necessary as a result of new laws or regulations.
4. The Audit Committee shall meet at least four times per year, and each time the Company proposes to issue a press release with its quarterly or annual earnings information. These meetings may be combined with regularly scheduled meetings, or more frequently as circumstances may require. The Audit Committee may ask members of the management or others to attend the meetings and provide pertinent information as necessary.
5. Conduct executive sessions with the outside auditors, outside counsel, and anyone else as desired by the Audit Committee.
6. The Audit Committee shall be authorized to hire outside counsel or other consultants as necessary (this may take place any time during the year).
7. Approve any non-audit services provided by the independent auditors, including tax services. Review and evaluate the performance of the independent auditors and review with the full Board any proposed discharge of the independent auditors.
8. Review with the management the policies and procedures with respect to officers' expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of these areas by the independent auditor.
9. Consider, with the management, the rationale for employing accounting firms rather than the principal independent auditors.
10. Inquire of the management and the independent auditors about significant risks or exposures facing the Company; assess the steps the management has taken or proposes to take to minimize such risks to the Company; and periodically review compliance with such steps.
11. Review with the independent auditor, the audit scope and plan of the independent auditors. Address the coordination of the audit efforts to assure the completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
12. Inquire regarding the “quality of earnings” of the Company from a subjective as well as an objective standpoint.

13. Review with the independent accountants: (a) the adequacy of the Company's internal controls including computerized information systems controls and security; and (b) any related significant findings and recommendations of the independent auditors together with the Management's responses thereto.
14. Review with the management and the independent auditor the effect of any regulatory and accounting initiatives, as well as off-balance-sheet structures, if any.
15. Review with the management the annual financial reports before they are filed with the regulatory authorities.
16. Review with the independent auditor that performs an audit: (a) all critical accounting policies and practices used by the Company; and (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the management of the Company, the ramifications of each alternative and the treatment preferred by the Company.
17. Review all material written communications between the independent auditors and the management.
18. Review with the management and the independent auditors: (a) the Company's annual financial statements and related footnotes; (b) the independent auditors' audit of the financial statements and their report thereon; (c) the independent auditor's judgments about the quality, not just the acceptability, of the Company's accounting principles as applied in its financial reporting; (d) any significant changes required in the independent auditors' audit plan; and (e) any serious difficulties or disputes with the management encountered during the audit.
19. Review the procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters that may be submitted by any party internal or external to the organization. Review any complaints that might have been received, current status, and resolution if one has been reached.
20. Review procedures for the confidential, anonymous submission by employees of the organization of concerns regarding questionable accounting or auditing matters. Review any submissions that have been received, the current status, and resolution if one has been reached.
21. The Audit Committee will perform such other functions as assigned by law, the Company's articles, or the Board.

Composition of the Audit Committee

The members of the Audit Committee are **Terrence Filbert, R. Scott Chaykin, and Dr. Shidan Murphy**, of which R. Scott Chaykin and Dr. Shidan Murphy are independent and at least one member of which is financially literate.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgement.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues

that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

Relevant Education and Experience

Each member has an understanding of the mineral exploration and mining business in which the Company is engaged and has an appreciation of the financial issues and accounting principles that are relevant in assessing the company's financial disclosures and internal control systems.

Terrence Filbert possesses extensive financial and accounting expertise derived from involvement in the mining industry since 2005. With a focus on Indonesia, Terrence has demonstrated proficiency in import/export operations, financial management, and strategic planning. Terrence's accomplishments include successful ventures in building material exports and petroleum product imports. They have also excelled in managing mining operations, including team building, property acquisition, and production development. Overall, Terrence's expertise lies in revitalizing underperforming mines and optimizing financial controls in the industry.

R. Scott Chaykin has over 30 years of experience as an entrepreneurial executive and consulting professional providing domestic and international financial and administrative management, corporate structuring and compliance, strategic planning, private and public company regulatory compliance, operations, financial modelling, sales and marketing. Mr. Chaykin holds a degree in accounting from the University of Washington, is a Certified Public Accountant and a Chartered Global Management Accountant.

Dr. Shidan Murphy is an experienced analyst, environmentalist, and advisor based in the Asia-Pacific region. With a strong focus on balancing environmental protection and urban development, Dr. Murphy's expertise extends to solving analytical issues for organizations across Asia, India, and Australia. Their comprehensive skill set also includes accounting and financial acumen, which they bring to the table alongside their scientific accomplishments.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor (currently, Davidson & Company LLP, Chartered Accountants, of Vancouver, British Columbia) not adopted by the Board.

Reliance on Certain Exemptions

During the most recently completed financial year, the Company has not relied on the exemptions contained in sections 2.4 or 8 of National Instrument 52-110 *Audit Committees*. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of all the non-audit services not pre-approved is reasonably expected to be no more than 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided, the Company did not recognize the services as non-audit services at the time of engagement, and the services are promptly brought to the attention of the Audit Committee and approved prior to the completion of the audit by the Audit Committee. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of the Instrument, in whole or in part.

Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of National Instrument 52-110 *Audit Committees*, the engagement of non-audit services is considered by, as applicable, the Board and the Audit Committee, on a case by case basis.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by Davidson & Company LLP, Chartered Accountants, of Vancouver, British Columbia to the Company to ensure auditor independence. Fees incurred with Davidson & Company LLP, Chartered Accountants, of Vancouver, British Columbia for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table.

Nature of Services	Fees Paid to Auditor in Year ended August 31, 2022	Fees Paid to Auditor in Year ended August 31, 2021
Audit Fees ⁽¹⁾	\$78,204	\$43,018
Audit-Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	Nil	Nil
All Other Fees ⁽⁴⁾	Nil	Nil
Total	\$78,204	\$43,018

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include fees for services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

Exemption

The Company is relying upon the exemption in section 6.1 of National Instrument 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110.

APPOINTMENT OF AUDITOR

Davidson & Company LLP, Chartered Accountants, of Vancouver, British Columbia, will be nominated at the Meeting for reappointment as auditor of the Company at a remuneration to be fixed by the directors.

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

The Compensation Discussion and Analysis section explains the compensation program for the fiscal years ended August 31, 2023 and August 31, 2022 for the Company's Named Executive Officers (as that term is defined under applicable securities legislation).

COMPENSATION DISCUSSION AND ANALYSIS

The compensation of the executive officers is determined by the Board of Directors, based in part on recommendations from the Chief Executive Officer.

The Board evaluates individual executive performance with the goal of setting compensation at levels that they believe are comparable with executives in other companies of similar size and stage of development operating in the same industry. In connection with setting appropriate levels of compensation, the Board base their decisions on their general business and industry knowledge and experience and publicly available information of comparable companies while also taking into account our relative performance and strategic goals.

The executive officer compensation consists of two basic elements: i) base salary; and ii) incentive stock options. The details are set out in the Summary Compensation Table.

The base salary established for each executive officer is intended to reflect each individual's responsibilities, experience, prior performance and other discretionary factors deemed relevant by the Board. In deciding on the salary portion of the compensation of the executive officers, major consideration is given to the fact that the Company is an early stage exploration company and does not generate any material revenue and must rely exclusively on funds raised from equity financing. Therefore, greater emphasis may be put on incentive stock option compensation.

The incentive stock option portion of the compensation is designed to provide the executive officers of the Company with a long-term incentive in developing the Company's business. Options granted under the Company's stock option plan are approved by the Board, and if applicable, its subcommittees, after consideration of the Company's overall performance and whether the Company has met targets set out by the executive officers in their strategic plan.

Currencies

All financial amounts are stated in Canadian dollars unless otherwise indicated.

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES
(for the fiscal years ended August 31, 2023 and August 31, 2022)

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of Perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Terrence Filbert⁽¹⁾ <i>Chief Executive Officer and Chairman</i>	2023	181,560	Nil	Nil	Nil	99,561 ⁽¹⁰⁾	281,121
	2022	168,112	Nil	Nil	Nil	82,330 ⁽⁹⁾	250,442
Karen Dyczkowski⁽²⁾ <i>Chief Financial Officer</i>	2023	130,200	Nil	Nil	Nil	Nil	130,200
	2022	124,000	Nil	Nil	Nil	Nil	124,000
R. Scott Chaykin⁽³⁾ <i>Director</i>	2023	30,000	Nil	Nil	Nil	Nil	30,000
	2022	30,000	Nil	Nil	Nil	Nil	30,000
Dr. Shidan Murphy⁽⁴⁾ <i>Director</i>	2023	40,000	Nil	Nil	Nil	Nil	40,000
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Garry Kielenstyn⁽⁵⁾ <i>Former Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	294,648	Nil	Nil	Nil	Nil	294,648
Joseph Keane⁽⁶⁾ <i>Former Director</i>	2023	10,000	Nil	Nil	Nil	Nil	10,000
	2022	30,000	Nil	Nil	Nil	Nil	30,000
John Ellis⁽⁷⁾ <i>Former Director</i>	2023	10,000	Nil	Nil	Nil	Nil	10,000
	2022	30,000	Nil	Nil	Nil	Nil	30,000
Colin Davies⁽⁸⁾ <i>Former Director</i>	2023	27,200	Nil	Nil	Nil	Nil	27,200
	2022	31,250	Nil	Nil	Nil	Nil	31,250

(1) Appointed March 8, 2017

(2) Appointed July 31, 2020

(3) Appointed March 8, 2017

(4) Appointed December 31, 2022

(5) Appointed June 13, 2017 and resigned June 27, 2022. In addition to serving as a director, Mr. Kielenstyn served as Chief Operating Officer of the Company's wholly owned subsidiary until his resignation.

(6) Appointed January 29, 2021 and resigned December 31, 2022

(7) Appointed February 1, 2021 and resigned December 31, 2022

(8) Appointed August 16, 2021 and resigned December 31, 2022

(9) Amount is comprised of \$37,330 paid in health care benefits, \$45,000 paid or accrued for living out allowance.

(10) Amount is comprised of \$39,561 paid or accrued in health care benefits, \$60,000 paid or accrued for living out allowance.

“Named Executive Officer” means each Chief Executive Officer, each Chief Financial Officer and 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 for that financial year and each individual who would be an NEO 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.

Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted in the most recently completed financial year ended August 31, 2023 and August 31, 2022 to each Named Executive Officer and director for services provided or to be provided, directly or indirectly, to the Company. Stock options exercised by a director or NEO are provided in the notes to the table.

COMPENSATION SECURITIES (for the fiscal year end of August 31, 2023)

Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class ⁽¹⁾	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Terrence Filbert <i>Chief Executive Officer and Chairman</i>	Stock Options	6,700,000	01/29/2021	0.110	0.14	0.035	01/29/2026
Karen Dyczkowski <i>Chief Financial Officer</i>	Stock Options	1,000,000	07/16/2020	0.10	0.10	0.035	07/16/2025
		500,000	09/09/2020	0.15	0.17		09/09/2025
		400,000	01/06/2021	0.155	0.20		01/06/2026
		185,250	07/15/2021	0.07	0.07		07/15/2026
		50,000	08/31/2022	0.05	0.05		08/31/2024
		700,000	05/01/2023	0.05	0.03		05/01/2025
R. Scott Chaykin <i>Director</i>	Stock Options	150,000	09/09/2020	0.15	0.17	0.035	09/09/20250
		200,000	01/06/2021	0.155	0.20		1/06/2026
		50,000	07/15/2021	0.07	0.07		07/15/2026
		50,000	8/31/2022	0.05	0.05		08/31/2024
		200,000	05/01/2023	0.05	0.03		05/01/2025
Dr. Shidan Murphy <i>Director</i>	Stock Options	200,000	12/30/2022	0.05	0.02	0.035	12/30/2027
		300,000	05/01/2023	0.05	0.03		05/01/2025

⁽¹⁾ All options granted fully vested at the time of grant.

The total amount of compensation securities, and underlying securities, held by each named executive officer or director on the last day of the most recently completed financial year end:

Name	Total Compensation Securities	Description of Underlying Securities
Terrence Filbert	6,700,000	6,700,000 common shares
Karen Dyczkowski	2,835,250	2,835,250 common shares
R. Scott Chaykin	650,000	650,000 common shares
Dr. Shidan Murphy	500,000	500,000 common shares

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no pending legal proceedings or regulatory actions to which the Issuer is or is likely to be a party or of which any of its properties are or are likely to be the subject of.

PARTICULARS OF MATTERS TO BE ACTED UPON

The TSX Venture Exchange's policies require that each company listed on the Exchange have a security compensation plan if the company issues securities pursuant to the exercise of securities issued in connection with the security based compensation plan.

Effective as of November 24, 2023 the Board adopted the amended and restated 2023 rolling 10% share option plan (the "**Share Option Plan**") and the Restricted Share Unit Plan (the "**Restricted Share Unit Plan**"). The Share Option Plan and the Restricted Share Unit Plan are proposed for shareholders' approval at the Company's 2023 annual and special General meeting.

The Share Option Plan provides flexibility to the Company to grant equity-based incentive awards in the form of equity-based incentive awards in the form of options ("**Options**"), and under the Restricted Share Unit Plan, the Company is able to issue restricted share units ("**RSUs**"), as described in further detail below. The purpose of the Share Option Plan and the Restricted Share Unit Plan, among other things, is to provide the Company with a share related mechanism to attract, retain and motivate qualified directors, officers, employees and consultants of the Company and to reward such of those directors, officers, employees and consultants as may be granted awards under the Share Option Plan and the Restricted Share Unit Plan by the Board from time to time for their contributions toward the long-term goals and success of the Company and to enable and encourage such directors, employees and consultants to acquire Shares as long-term investments and proprietary interests in the Company.

Copies of the Share Option Plan and the Restricted Share Unit Plan may be provided by the Company upon request to Company.

The following is a summary of the material terms of the Plan:

1. Adoption of the 2023 Rolling 10% Share Option Plan

The Company currently has a 20% fixed share option plan. Management is recommending a decrease in the aggregate number of common shares reserved and available for grant and issuance at any point in time pursuant to the Share Option Plan. The maximum number of common shares reserved for issuance shall not exceed more than 10% of the issued and outstanding common shares of the Company at any time of any stock option grant. A significant portion of the incentive stock options have already been granted to employees, consultants, officers and other directors. The Share Option Plan is subject to the TSX Venture Exchange approval.

The proposed Share Option Plan shall operate as a "rolling" plan. The material terms of the Share Option Plan include:

- (a) all options granted under the Share Option Plan are non-assignable, non-transferable and exercisable for a maximum period of up to 10 years from the date of grant and shall have an exercise price as determined by the Board subject to the minimum discounted market price as determined under the policies of the TSX Venture Exchange;

- (b) the maximum aggregate number of common shares issuable to insiders (as a group) under the Share Option Plan (together with those common shares issuable pursuant to the Restricted Share Unit Plan) shall not exceed 10% common shares of the Company at any point in time, calculated as at the date such options are granted to any such insiders.
- (c) the maximum aggregate number of common shares issuable to any one insider under the Share Option Plan (together with those common shares issuable pursuant to any other share compensation arrangement, including the restricted share units that may be issued pursuant to Restricted Share Unit Plan) shall not exceed 5% common shares of the Company in any 12 month period, calculated as at the date such options are granted.
- (d) no optionee can be granted an option or options to purchase more than 5% of the outstanding listed shares of the Company in any one year period;
- (e) options granted to any one consultant or optionee employed to provide investor relations activities during any 12-month period may not exceed, in aggregate, 2% of the issued common shares of the Company;
- (f) options granted to persons providing investor relations activities must be subject to a vesting requirement whereby such options will vest over a period of not less than 12 months, with a maximum of 25% vesting in any three-month period;
- (g) all options shall expire after an optionee ceases to be employed or provide services up to a period not to exceed one (1) year as set by the Board except in the case of any optionee's death, the optionee's heirs or administrators can exercise any part of the outstanding option until the earlier of one year after the date of death and the date of expiration of the term of such options for up to one year from the optionee's death; and
- (h) if an option granted under the Share Option Plan expires unexercised or is terminated by reason of dismissal of the optionee for cause or is settled in cash, surrendered, forfeited prior to exercise of the option, the optioned shares that were issuable thereunder will be returned to the reserved common share of the Share Option Plan and will be eligible for re-issuance.

Provided that the Disinterested shareholder approval of the Share Option Plan has been obtained (as defined below):

- (a) the aggregate number of common shares reserved for issuance under the Share Option Plan granted to insiders may exceed 10% of the outstanding shares (as defined below);
- (b) the number of optioned shares issued to insiders within a one-year period may exceed 10% of the outstanding shares; and
- (c) the issuance to any one optionee, within a 12-month period, of a number of common shares may exceed 5% of the outstanding shares.

“Disinterested shareholder approval” means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted shareholders' meeting, excluding those votes attached to common shares beneficially owned by insiders and Associates and Affiliates of the insiders if:

- (a) the aggregate number of common shares reserved for issuance under the Share Option

Plan granted to insiders as a group exceeds 10% of the outstanding shares at any point in time;

- (b) the number of optioned shares issued to insiders in any 12-month period exceeds 10% of the outstanding shares; and
- (c) the issuance to any one insider of the Company, within a 12-month period, of a number of common shares that exceeds 5% of the outstanding shares calculated as at the date any options are granted to such insiders.

“Affiliate” means an entity or person controlled by an insider and “Associate” means

- (a) a partner, other than a limited partner, of that Person;
- (b) a trust or estate in which that Person has a substantial beneficial interest or for which that Person serves as trustee or in a similar capacity;
- (c) an issuer in respect of which that Person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the issuer; or

The individuals that shall abstain from voting together with their respective holdings are as follow:

Insider Name	Holdings
Terrence Filbert	9,298,923 common shares
R. Scott Chaykin	221,075 common shares
Alan McMillan	7,331,333 common shares
Karen Dyczkowski	3,194,267 common shares

“Outstanding shares” means at the relevant time, the number of issued and outstanding common shares of the Company from time to time.

Further, the TSX Venture Exchange's policies require that where the Company decreases the exercise price of options previously granted to the Company's insiders, the Company's disinterested shareholders must approve such amendments. The insiders to whom common shares may be issued under the Share Option Plan and their associates must abstain from voting on the Share Option Plan.

A copy of the Share Option Plan is posted on the Company’s website at www.barugold.com and will be available for inspection at the 2023 Annual and Special General meeting. The directors believe that the Share Option Plan is in the Company's best interests and recommend that the shareholders approve the Share Option Plan.

Management has recommended that you vote **FOR** the Company's adoption of the Share Option Plan containing among other things, provisions consistent with the current policies of the TSX Venture Exchange.

2. Adoption of Amended and Restated Restricted Share Unit Plan

The Company is seeking the approval of disinterested shareholders at the Meeting for the Restricted Share Unit Plan which is posted on the Company's website to fulfil the Company's ability to recruit and retain qualified individuals suitable as employees, eligible consultants, officers and directors of the Company to carry out all aspects of the Company's business plans in the best interests of the shareholders.

The Restricted Share Unit Plan is being proposed for approval by the shareholders, the resolution must be passed by a majority of the votes cast by the disinterested holders of the common shares present in person or represented by proxy at the Meeting.

The Restricted Share Unit Plan shall be administered by the Board and restricted share units (the "RSUs") may be awarded to employees, directors and officers of the Company.

The RSUs are subject to vesting schedules established at the time of the grant of the RSUs by the Board. Once vested, holders of the RSUs are entitled to receive the equivalent number of underlying common shares or cash equal to the greater of (i) the average weighted closing price of the Company's shares traded for the past five days, or (ii) the closing price of the previous trading day as more particularly described in the Restricted Share Unit Plan (the "**Fair Market Value**") or any combination thereof as determined by the Company.

Vested RSUs may be settled through the issuance of common shares from treasury (subject to the Disinterested shareholder approval of the Restricted Share Unit Plan being sought at this Meeting) in cash or in any combination of the foregoing (as determined by the Company). If settled in cash, the amount shall be equal to the number of common shares in respect of which a holder RSUs is entitled multiplied by the Market Value of a common share on the Trigger Date, which shall be the third anniversary of the date the RSUs are granted or an earlier date approved by the Compensation Committee as more particularly described in the Restricted Share Unit Plan (the "**Trigger Date**").

The Trigger Date shall be no later than the expiry date of such RSUs. The Board shall determine the expiry date of RSUs at the time such RSUs are granted, and the maximum term of an expiry date shall be one year after a holder the RSUs ceases to be an employee, director or eligible consultant of the Company (the "**Expiry Date**").

Any RSUs granted by the Company in accordance with the Restricted Share Unit Plan and any common shares which may be reserved, set aside and available for issuance regarding such RSUs shall not exceed 11,646,993 (5% of the issued and outstanding common shares of the Company as of the Record Date).

The maximum amount of common shares issuable to insiders (as a group) under the Restricted Share Unit Plan, (together with those common shares issuable pursuant to any other share compensation arrangement, including the options that may be grant pursuant to the Share Option Plan) shall not exceed 10% common shares of the Company at any point in time, calculated as at the date the RSUs are granted to any such insiders.

The maximum aggregate number of common shares issuable to any one person under the Restricted Share Unit Plan (together with any common shares issuable pursuant to any other security based compensation arrangement of the Company, including the options that may be grant pursuant to the Share Option Plan) shall not exceed 5% common shares of the Company in any 12 month period, calculated as at the date the RSUs are granted to any such insiders.

The maximum number of common shares issuable under the Restricted Share Unit Plan, together with any other security-based compensation arrangement with the Company in a one year period to all Eligible Persons shall not exceed 2% of the issued and outstanding common shares of the Company and to any one Eligible Person shall not exceed 1% of the issued and outstanding common shares of the Company.

RSUs which have not vested on a participant's termination date shall be terminated and forfeited unless otherwise determined by the Compensation Committee. In the event a RSU holder ceased to be an employee of the Company as a result of termination of employment without cause, the Company shall have the sole discretion (unless otherwise provided in a grant agreement) to determine if all or a portion of the RSUs held by the RSU holder may be permitted to continue to vest in accordance with any statutory or common law severance period or any period of reasonable notice required by law or as otherwise may be determined by the Company in its sole discretion. All forfeited RSUs are available for future grants.

Disinterested shareholder approval shall mean that all directors, officers and any other eligible participants under the Restricted Share Unit Plan shall abstain from voting and shall not otherwise be included in the vote regarding the Restricted Share Unit Plan.

RSUs cannot be assigned or transferred other than by will or the laws of descent and distribution.

Upon receiving Disinterested shareholder approval of the Restricted Share Unit Plan, the Board in its sole discretion may, without notice, and without Disinterested shareholder approval amend the Restricted Share Unit Plan or any provisions thereof in such manner as the Board determines, including but not limiting to amendments to the terms and conditions of the Restricted Share Unit Plan to ensure that the Restricted Share Unit Plan complies with applicable regulatory requirements any amendments that are of a "housekeeping" nature.

All other amendments to the Restricted Share Unit Plan are subject the prior approval of shareholders and the Exchange.

The Company has received conditional approval of the treasury based aspects of the Restricted Share Unit Plan, which is subject to Disinterested shareholder approval.

Management has recommended that you vote **FOR** the Company's adoption of the Restricted Share Unit Plan containing among other things, provisions consistent with the current policies of the TSX Venture Exchange. The Restricted Share Unit Plan is subject to TSX Venture Exchange approval.

3. Ratification and Approval of Shareholder Rights Plan

The Company adopted a shareholder rights plan agreement between the Company and Computershare Trust Company Of Canada, as rights agent, dated July 20, 2023 (the "**Rights Plan**"). The Rights Plan was adopted to ensure the fair treatment of all Shareholders in connection with any take-over bid for the Company. The Rights plan was conditionally approved by the TSX Venture Exchange and is subject to ratification by the Shareholders. At the Meeting, shareholders will be asked to consider and, if deemed advisable, pass a resolution, ratifying and approving the Rights Plan. The Rights Plan must be ratified by a resolution passed by a majority of the votes cast at the Meeting, without giving effect to any votes cast (i) by any shareholder that, directly or indirectly, on its own or in concert with others, holds or exercises control over more than 20% of the outstanding Common Shares, if any; and (ii) by the associates, affiliates and insiders of any referred to in (i) above. If the Rights Plan is not approved at the Meeting, the Rights Plan will terminate at the end of the Meeting.

The following is a brief summary of the Rights Plan which is qualified in its entirety by reference to the complete text of the Rights Plan set out in Schedule “A” available on SEDAR+. This summary is qualified in its entirety by reference to the text of the Rights Plan, which is available upon request from the Corporate Secretary of the Company at 1021 West Hastings Street, 9th Floor, Vancouver, British Columbia, V6E 0C3, or a copy of the Rights Plan may be obtained from the Company’s public disclosure documents found on the Company’s SEDAR+ profile at www.sedarplus.ca. Capitalized terms used in the summary without express definition have the meanings ascribed thereto in the Rights Plan.

Issuance of Rights

The Rights Plan provides that one right (a “**Right**”) shall be issued by the Company to shareholders or records as of the close of business on July 20, 2023 in respect to each of the outstanding Common Shares. In addition, one Right will be issued in respect of each Common Share issued after the effective date of the Rights Plan and prior to the earlier of the Separation Time (as defined in the Rights Plan) or the Expiration Time (as defined in the Rights Plan).

Objectives of the Rights Plan

The Rights Plan has the following objectives: (a) to prevent creeping acquisitions of control; (b) to give adequate time for shareholders to properly assess a take-over bid without undue pressure; (c) to provide the Board time to consider value-enhancing alternatives to a take-over bid and to allow competing permitted bids to emerge; and (d) to ensure that shareholders of the Company are provided equal treatment under a take-over bid. The Rights Plan is not intended to prevent take-over bids that treat shareholders fairly and has not been adopted in response to any proposal to acquire control of the Company.

Permitted Bids

Under the Rights Plan, those bids that meet certain requirements intended to protect the interests of all shareholders are deemed to be “Permitted Bids”. Permitted Bids must be made by way of a take-over circular prepared in compliance with applicable securities laws and, among other conditions, must remain open for sixty days. In the event a take-over bid does not meet the Permitted Bid requirements or a person otherwise acquires 20% or more of the outstanding Common Shares (an “**Acquiring Person**”), subject to certain exemptions, the rights will entitle shareholders, other than any shareholder acquiring the Common Shares, to purchase additional Common Shares at a substantial discount to the market value at the time. As a result, the investment of the shareholder or shareholders making the acquisition will be greatly diluted if a substantial portion of the rights are exercised.

Grandfathered Person

Shareholders of the Company who are the Beneficial Owner of 20% or more of the outstanding voting shares of the Company at the time that the Rights Plan became effective are “Grandfathered Persons”, and are excluded from the definition of Acquiring Person. However, if a Grandfathered Person becomes the Beneficial Owner of any additional outstanding common shares of the Company that increases its beneficial ownership by more than 1% of the number of voting shares outstanding as at the effective date of the Rights Plan, then the Grandfathered Person will become an Acquiring Person on the date of such acquisition. There were no Grandfathered Persons as of the effective date of the Rights Plan.

Protection Against Dilution

The Rights Plan does not interfere with the day-to-day operations of the Company. The issuance of the Rights does not in any way alter the financial condition of the Company, impede its business plans or alter its financial statements. The rights are not listed; thus the Rights Plan is not dilutive and will not have any effect on the trading of common shares. However, if a Flip-In Event occurs and the rights separate from

the common shares, reported earnings per share and reported cash flow per share on a fully-diluted basis may be affected. In addition, holders of rights not exercising their rights after a Flip-In Event may suffer substantial dilution.

Redemption and Waiver

The Board acting in good faith can (i) waive the application of the Rights Plan to enable a particular takeover-bid to proceed, in which case the Rights Plan will be deemed to have been waived with respect to any other takeover-bid made prior to the expiry of any bid subject to such waiver, or (ii) with the prior approval of the holders of voting Shares or Rights, as the case may be, redeem the Rights at a redemption price of \$0.00001 per Right at any time prior to a Flip-in Event. Rights are deemed to have been redeemed if a bidder successfully completes a Permitted Bid or a Competing Permitted Bid.

The Board acting in good faith may, prior to the occurrence of the relevant Flip-In Event as to which the Rights Plan has not been waived, waive the application of the Rights Plan to a Flip-In Event that may occur by reason of a take-over bid made by means of a take-over bid circular to all holders of record of voting shares. However, if the Board waives the application of the Rights Plan, the Board shall be deemed to have waived the application of the Rights Plan in respect of any other Flip-In Event occurring by reason of such a take-over bid made prior to the expiry of a bid for which a waiver is, or is deemed to have been, granted.

The Board acting in good faith may, with the prior consent of the holders of voting shares, determine, at any time prior to the occurrence of a Flip-In Event as to which the application of the Rights Plan has not been waived, if such Flip-In Event would occur by reason of an acquisition of voting shares otherwise than pursuant to a take-over bid made by means of a take-over bid circular to holders of voting shares and otherwise than by inadvertence when such inadvertent Acquiring Person has then reduced its holdings to below 20%, to waive the application of the Rights Plan to such Flip-In Event. However, if the Board waives the application of the Rights Plan, the Board shall extend the separation time to a date subsequent to and not more than ten business days following the meeting of Shareholders called to approve such a waiver.

The Rights Plan will expire unless the Shareholders vote at the Meeting to continue its operation. At the Meeting, the Shareholders will be asked to consider and vote to approve the adoption of the Rights Plan, a summary of which is set forth in Schedule “A” attached hereto.

Vote Required and Recommendation of the Board

The Board believes that the adoption of the Rights Plan is in the best interest of the Company and its shareholders and, accordingly, shareholders are being asked to consider and, if thought fit, to approve an ordinary resolution in the form set out below to adopt the Rights Plan between the Company and Computershare Trust Company of Canada.

To be effective, an ordinary resolution requires an affirmative vote greater than 50% of the votes cast by Shareholder present in person or by proxy at the Meeting.

“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

- 1. the shareholder rights plan of the Company created by the Shareholder Rights Plan Agreement dated as of July 20, 2023 between the Company and Computershare Trust Company of Canada, as rights agent, as rights agent, (the “Rights Plan”), substantially on the terms set out in Schedule “A” attached to the management Information Circular, be continued, and the Rights Plan, which issues shareholder protection rights to holders of Common Shares that are outstanding at the Record Time (as defined in the Rights Plan) on the terms set out in the Rights Plan, and continues the issuance of rights thereafter to*

holders of newly issued Common Shares until the termination or expiration of the Rights Plan, be and is hereby ratified, confirmed and approved; and

2. *any director or officer of the Company be and is hereby authorized, instructed and empowered, acting for, in the name of and on behalf of the Company, to do or to cause to be done all such other acts and things in the opinion of such director or officer as may be necessary or desirable in order to fulfill the intent of this resolution, such determination to be conclusively evidenced by the taking of any such actions.”*

The Board recommends a vote “FOR” the approval of the Rights Plan Resolution. In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of proxy intend to vote FOR the approval of the Rights Plan Resolution.

4. Approval of Voluntary Delisting from TSXV and Listing on a Canadian Stock Exchange

The Company intends to apply to voluntarily delist its Common Shares from the TSX Venture Exchange. The Company in applying to list the Common Shares on a Canadian stock exchange including but not limited to the TSX, NEO Exchange or the Canadian Securities Exchange (“CSE”). Shareholders will be asked at the Meeting to consider, and if thought fit, to pass, with or without variation, a resolution authorizing the Company to make an application to voluntarily delist the Common Shares of the Company from the TSXV on which it is currently listed (the “**Delisting**”). The implementation of the Delisting is conditional upon the Company obtaining any necessary regulatory consents. The Delisting Resolution also provides that the Board is authorized, in its sole discretion, to determine not to proceed with the proposed Delisting, without further approval of the shareholders of the Company. In particular, the Board may determine not to present the Delisting Resolution to the Meeting or, if the Delisting Resolution is presented to the Meeting and approved by Shareholders, the Board may determine after the Meeting not to proceed with completion of the proposed Delisting.

The Delisting would result in the Company no longer being listed on the TSXV. If a Canadian stock exchange, including but not limited to, the TSX, NEO Exchange or the CSE conditionally approves the listing of the Company, and subject to approval of the TSXV, the Company will be delisted from the TSXV and commence trading on a Canadian stock exchange, including but not limited to, the TSX, NEO Exchange or the CSE if the shareholders approve the Delisting Resolution.

Completion of the Delisting is subject to the acceptance of the TSXV and there is no guarantee that the TSXV will approve the Delisting.

Shareholders are being asked to approve the following resolution (the “**Delisting Resolution**”):

“BE IT RESOLVED THAT:

1. *the Company is hereby authorized to apply to voluntarily delist its securities from the TSX Venture Exchange; the Company is further hereby authorized to seek approval from a Canadian stock exchange, including but not limited to, the TSX, NEO Exchange or the Canadian Securities Exchange (“CSE”) to list its securities for public trading on a Canadian stock exchange, including but not limited to, the TSX, NEO Exchange or the CSE;*
2. *notwithstanding that this resolution has been duly approved by the shareholders of the Company, the board of directors of the Company, in its sole discretion and without the requirement to obtain any further approval from the shareholders of the Company, is*

hereby authorized and empowered to revoke this resolution at any time before it is acted upon without further approval from the shareholders; and

3. *any officer or director of the Company be and is hereby authorized and directed for and in the name of and on behalf of the Company, to execute or cause to be executed, whether under the corporate seal of the Company or otherwise, and to deliver or to cause to be delivered, all such other documents and instruments, and to do or cause to be done all such other acts and things, as in the opinion of such officer or director may be necessary or desirable in order to carry out the intent of this resolution.”*

To be approved, the Delisting Resolution requires the affirmative vote of (i) at least a majority of the votes cast on the Delisting Resolution at the Meeting, whether in person or by proxy; and (ii) “majority of the minority shareholder approval” obtained in accordance with the requirements of the TSXV, being at least a majority of the votes cast on the Delisting at the Meeting excluding votes attaching to Common Shares held by promoters, directors, officers and other insiders of the Company, whether in person or by proxy. To the knowledge of the Company, such persons own or have voting control over an aggregate of 20,045,598 Common Shares as of November 24, 2023, representing approximately 8.61% of all issued and outstanding Common Shares as of such date. There can be no assurance that the requisite Shareholder approval of the Delisting will be obtained.

Unless the Shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such proxy are to be voted against the Delisting, the persons named in the accompanying proxy will vote FOR the Delisting.

If the voluntary delisting is approved by the Company’s shareholders and the TSXV and other conditions imposed by the TSXV are satisfied, the Company’s Common Shares will be immediately delisted from the TSXV. The delisting from the TSXV may occur prior to the Common Shares being listed on a Canadian stock exchange, including but not limited to, the TSX, NEO Exchange or the CSE. After the Company’s Common Shares are delisted from the TSXV and until the Company’s Common Shares are listed on a Canadian stock exchange, including but not limited to, the TSX, NEO Exchange or the CSE, there will be no marketplace for the trading of the Company’s Common Shares. The Company is applying for listing with a Canadian stock exchange, including but not limited to, the TSX, NEO Exchange or the CSE and intends to complete a formal listing application after this Circular is mailed to shareholders. There can be no assurance that any application for listing the Company’s Common Shares on a Canadian stock exchange, including but not limited to, the TSX, NEO Exchange or the CSE will be approved prior to the delisting from the TSXV or at all.

The Board believes that a Canadian stock exchange, including but not limited to, the TSX, NEO Exchange or the CSE has a preferred fee structure for the Company which will allow the Company to devote a larger portion of its financial resources to executing its business strategy. Additionally, the Board believes that the rules and policies of a Canadian stock exchange, including but not limited to, the TSX, NEO Exchange or the CSE are more suitable for the Company and that a Canadian stock exchange, including but not limited to, the TSX, NEO Exchange or the CSE will provide a marketplace that is as good or better than the TSXV for the trading of its Common Shares. If the voluntary delisting is approved by the Company’s shareholders and the TSXV, the Company’s Common Shares will be immediately delisted from the TSXV.

The Company will be unable to list its Common Shares until the TSXV has approved a voluntary delisting of the Company’s Common Shares. Accordingly, the Company will be unable to list its Common Shares on the TSX, NEO Exchange or CSE unless, among other things, the Delisting Resolution is passed. There can be no assurance that the Company’s listing application will be accepted by a Canadian stock exchange,

including but not limited to, the TSX, NEO Exchange or the CSE or that the Company will be able to meet the listing requirements of a Canadian stock exchange, including but not limited to, the TSX, NEO Exchange or the CSE.

After delisting from the TSXV and unless or until the Company's Common Shares are listed on a Canadian stock exchange, including but not limited to, the TSX, NEO Exchange or the CSE, there will be no marketplace for the trading of the Company's Common Shares.

PENSION PLAN BENEFITS

The Company does not have a pension plan or provide any benefits following or in connection with retirement.

EMPLOYEE, CONSULTING AND MANAGEMENT AGREEMENTS

The Company entered into Executive Services Agreements dated January 1, 2021 and amended and restated July 28, 2023 (the "**Agreements**") with Terrence Filbert, a director and Chief Executive Officer of the Company ("**CEO**"), and Karen Dyczkowski, Chief Financial Officer of the Company ("**CFO**") (the "**NEOs**") for the provision of management services. The provision of the services shall continue until December 31, 2024 and extendable by a period of one year, unless otherwise terminated.

The CEO receives compensation of \$13,300 per month, subject to automatic annual increases of eight percent (as at January 1, 2023, monthly salary is \$15,513); an annual bonus, based on targets as set out by the board, is equal to the total annual salary for that year (the "**Annual Bonus**") which the CEO may elect to receive in Shares for Services at the maximum discount to market permitted by the TSX Venture Exchange; health insurance and reimbursement of reasonable out of pockets costs not covered by insurance; an allowance for a leased vehicle; a one time issuance of stock options equal to four percent of the issued and outstanding shares of the Company on the date of the grant; and once the Company meets a target of \$2 million in sales from gold production at the Sangihe Gold Project, up to the maximum regulatory 5% allowed of the issued shares on the as soon as practicably possible after the issuance of the approvals of the shareholders of the Company and any stock exchange having jurisdiction over the granting of RSUs. The Annual Bonus will be at least equal to the total annual salary to be paid for year for that year. If these targets are not achieved in its respective year, it will be deemed earned and the bonus paid once the target is achieved.

The CFO receives compensation of \$10,000 per month, subject to automatic annual increases of five percent (as at January 1, 2023, monthly salary is \$11,025); health insurance and reimbursement of reasonable out of pocket costs not covered by insurance; and stock options granted at the discretion of the board.

Termination Benefits

Should the NEOs be subject to termination without just cause, the Agreements will be terminated in no less than one month's prior notice, and the Company will be required to pay two times the base salary at the time of termination and replacement costs equal to 24 months of any health, welfare, pension, life insurance and disability insurance benefits. Based on the conditions existing at August 31, 2023, the cash severance for every year of serving with the Company would be \$1,000,000 for the CEO; and \$500,000 for the CFO. Should the NEOs elect to terminate their employment as a result of an offer to acquire more than 20% of the voting shares inclusive of any voting shares and any voting shares issuable upon the exercise of convertible securities of the Company, the NEOs shall be entitled \$1,000,000 for every year of serving with the Company.

Change of Control Benefits

Should the Company be subject to a change of control and terminate any of the Agreements, or the NEO resigns for good reason, the Agreements will be terminated in no less than one month's prior notice, and the Company will be required to pay two times the base salary at the time of termination, replacement costs equal to 48 months of any health, welfare, pension, life insurance and disability insurance benefits, bonus payment of not less than an amount two times the average of the last three annual bonus/incentive payments paid, and \$1,000,000 every year the NEO has represented the Company as CEO, or \$1,000,000 every year the NEO has represented the Company as CFO. The severance payments relating to the \$1,000,000 may be converted into shares of the Company at a 20% discount to the closing share price on the 15th day after the termination date, or TSX-V approval. Based on the conditions existing at August 31, 2023, the cash severance related to base salary and health insurance would be \$363,120 and \$158,243 respectively for the CEO; \$260,400 and \$20,009 for the CFO; nil bonus payments; and cash severance related to the length of service would be \$6,000,000 for the CEO, \$1,500,000 for the CFO. If the NEOs elected to receive the severance relating to length of service, the number of shares issuable would be based on the market price as determined by the policies of the TSX Venture Exchange.

For the purposes of the above agreements, Change of Control means any of the following:

- (a) the acquisition, directly or indirectly, by any person or group of persons acting in concert, as such terms are defined in the *Securities Act*, British Columbia, of common shares of the Company which, when added to all other common shares of the Company at the time held directly or indirectly by such person or persons acting in concert, totals for the first time 30% of the outstanding common shares of the Company;
- (b) the removal, by extraordinary resolution of the shareholders of the Company, of more than 51% of the then incumbent directors of the Company, or the election of a majority of directors to the Company's board who were not nominees of the Company's incumbent board at the time immediately preceding such election; or
- (c) consummation of a sale of all or substantially all of the assets of the Company, or the consummation of a reorganization, merger or other transaction which has substantially the same effect, except where such sale or transaction is for the purpose of financing the construction of a mine;

For the purposes of the above agreements, "Good Reason" means the occurrence of one of the following events without the NEO's written consent:

- (a) the assignment by the Company of any substantial new duties inconsistent with the NEO's positions, duties, responsibilities and status with the Company immediately prior to the Change of Control;
- (b) a material reduction in the NEO's responsibilities, as in effect immediately prior to the Change of Control, except as a result of the NEO's death, disability or retirement;
- (c) a reduction by the Company in the NEO's base annual fee as in effect immediately prior to the Change of Control;
 - (i) a change in the principal executive office of the Company to a location more than 10 kilometres from the location of the principal executive office of the Company immediately prior to the Change of Control;

- (ii) the requirement by the Company that the NEO be based anywhere other than within a 50-kilometre radius of his location immediately prior to the Change of Control, except substantially consistent with the NEO’s business travel obligations immediately prior to the Change of Control; or
- (iii) the failure by the Company to continue in effect, or a change of the NEO’s participation in benefits under any bonus or incentive compensation or benefit plan, any stock ownership, stock purchase, stock option or other equity incentive plan, any life, health, accident, disability or similar plan providing welfare benefits or any plan or program of fringe benefits in which the NEO is participating immediately prior to a Change of Control (“Existing Plans”), the effect of which would be to materially reduce the total value, in the aggregate, of the NEO’s benefits under all existing benefit or incentive plans and all amendments thereto and plans substituted therefore, as compared to the NEO’s benefits under such plans as they existed immediately prior to the Change of Control, or the failure by the Company to maintain the NEO with the number of paid vacation days to which the NEO is entitled in accordance with the Company’s general vacation policy in effect immediately prior to the Change of Control.

The NEO may, within 12 months following a Change of Control, resign his employment and shall be entitled to receive the payments described above. If, within 12 months following a Change of Control, this Agreement is terminated by the Company, without just cause or by the NEO for Good Reason, then, the NEO shall be entitled to the payments described in the above.

EQUITY COMPENSATION PLAN INFORMATION
(for the fiscal year ended August 31, 2023)

	Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders	15,886,750	\$0.10	3,388,098
Equity compensation plans <i>not</i> approved by securityholders	Nil	Nil	Nil
Total	15,886,750		3,388,098

There are no employment contracts between either the Company or its subsidiaries and the above-named executive officers other than disclosed herein or in the financial statements.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than as disclosed hereunder, no directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the end most recently completed financial year or as at the date hereof.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only material contracts which the Company has entered into in the two years prior to the date of the Information Circular are the following:

1. Management Agreement between the Company and Terrence Filbert in respect of Mr. Filbert providing Chairman and CEO services to the Company dated January 1, 2021 and amended and restated July 28, 2023.
2. Management Agreement between the Company and Karen Dyczkowski in respect of Ms. Dyczkowski providing CFO services to the Company dated January 1, 2021 and amended and restated July 28, 2023.

EXPERTS

Information of a scientific or technical nature regarding the Sangihe Gold Project included in this Information Circular is based upon the independent technical report prepared by Mining Associates Pty Ltd. As at the date hereof, each of the authors of the aforementioned report beneficially own, directly or indirectly, less than 1% of the outstanding securities of the Company.

The independent auditor of the Company is Davidson & Company LLP, Chartered Accountants, of Vancouver, British Columbia. Davidson & Company LLP, Chartered Accountants has informed the Company that it is independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with the securities commission or similar regulatory authority in each of the Qualifying Jurisdictions are available at www.sedarplus.ca and are specifically incorporated by reference into, and form an integral part of, this Information Circular:

- a) the unaudited financial statement and management's discussion and analysis for the nine months ended May 31, 2023;
- b) the unaudited financial statement and management's discussion and analysis for the six months ended February 28, 2023;
- c) the unaudited financial statement and management's discussion and analysis for the three months ended November 30, 2022;
- d) the audited consolidated financial statements and management's discussion and analysis of financial condition and results of operations of the Company for the fiscal year ended August 31, 2022; and

- e) News releases and material change reports filed from January 1, 2022 until November 24, 2023.
- f) the technical report titled “*Independent Technical Report on the Mineral Resource Estimations of the Binebase and Bawone Deposits, Sangihe Project, North Sulawesi, Indonesia*” and dated 30 May 2017 prepared by Anthony Woodward, BSc Hons, M.Sc., MAusIMM, MAIG.

Any other documents of the type referred to in National Instrument 44-101 – *Short Form Prospectus Distributions* required to be incorporated by reference in a short form prospectus, including any annual information forms, material change reports (except confidential material change reports), financial statements and related management's discussion and analysis, business acquisition reports and information circulars, if filed by the Company with the provincial securities commissions or similar authorities in Canada subsequent to the date of this Information Circular and prior to the completion of the distribution of the Common Shares, are deemed to be incorporated by reference in this Information Circular.

Any statement contained in this Information Circular or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Information Circular to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document or statement that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed to constitute a part of this Information Circular, except as so modified or superseded.

RISK FACTORS

An investment in the securities of the Company involves considerable risks. You should carefully consider the following risk factors in addition to the other information contained in this Information Circular and consult your legal, financial or other professional advisors before considering making or holding an investment in the securities of the Company. The risks and uncertainties below are not the only ones facing the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may impair its business operations and cause the price or value of its securities to decline. If any of the following risks actually occur, the Company's business may be harmed and its financial condition and results of operations may suffer significantly. In that event, the price or value of the Company's securities could decline, and investors may lose all or part of their investment.

Investment in the Company's securities should be regarded as highly speculative and should be considered only by those investors able to sustain a total loss of their investment. In addition to the other information set forth elsewhere in this Information Circular, prospective investors should carefully review the following risk factors:

Risks Related to our Business

Dependence on the Sangihe Property

The Company is an exploration and development stage company focused on bringing the Sangihe Gold Project into production. The Sangihe Property does not have identified proven and probable Mineral Reserves, which will be required as a basis for determining if the Sangihe Property has bodies of commercial mineralization. The costs, timing and complexities of upgrading the Mineral Resources at the Sangihe Property to proven and probable reserves may be greater than the Company anticipates. As a result, unless the Company acquires additional property interests, any adverse developments affecting the Sangihe Property could have a material adverse effect upon the Company and would materially and adversely affect the potential mineral resource production, profitability, financial performance and results of operations of the Company.

Mineral exploration and development involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development programs at the Sangihe Property will result in the definition of bodies of commercial mineralization. There is also no assurance that even if commercial quantities of mineralization are discovered that the Sangihe Property will be brought into commercial production. The discovery of bodies of commercial mineralization is dependent upon a number of factors, not the least of which is the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which are the particular attributes of the deposit (such as size, grade and proximity to infrastructure), metal prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Most of the above factors are beyond the Company's control.

Political Stability and Governmental Regulation

The Company is exposed to risks of political instability and changes in government policies, laws and regulations in the country in which it operates. The majority of the Company's assets consist of its mineral interests in Indonesia that may be adversely affected in varying degrees by political instability, government regulations relating to the mining industry and foreign investment therein, and the policies of other nations in respect of Indonesia. Any changes in regulations or shifts in political conditions are beyond the Company's control and may adversely affect its business. The Company's operations may be adversely affected in varying degrees by government regulations, including those with respect to restrictions on foreign ownership, state-ownership of strategic resources, production, price controls, export controls, income taxes, expropriation of property, employment, land use, water use, environmental legislation and mine safety. The regulatory environment is in a state of continuing change, and new laws, regulations and requirements may be retroactive in their effect and implementation. The Company's operations may also be adversely affected in varying degrees by economic instability, economic or other sanctions imposed by other nations, terrorism, military repression, crime, risk of corruption including violations under Canadian foreign corrupt practices statutes, fluctuations in currency exchange rates and high inflation.

The Company's operations, and the development of its properties, are subject to obtaining and maintaining licenses and permits from appropriate governmental authorities. There is no assurance that such licenses and permits can be obtained, renewed or re-registered, as applicable, or that delays will not occur in obtaining all necessary licenses and permits or renewals of such licenses and permits for the Company's existing properties or additional permits required in connection with future exploration and development programs. Any failure to obtain or maintain the necessary licenses and permits to advance the exploration of the Sangihe Property will have a material adverse impact on the Company and its business, assets, financial condition, results of operations and prospects.

Joint venture risks

The Company is a party to a joint venture agreement with respect of its 70% ownership in PTTMS with other Indonesian joint venture partners in relation to the Sangihe Property, which govern the future exploration and development of the Sangihe Property. The Company is therefore subject to risks normally associated with joint ventures, including its potential inability to exert control over strategic decisions, disagreements with partners on how to develop and operate projects, the inability of partners to meet their obligations under such joint venture arrangements, and disagreements or litigation with joint venture partners regarding joint venture matters, each of which could have an adverse effect on the Company's interests and prospects.

Operations in Indonesia

The Company is conducting its exploration and development activities primarily on Sangihe Island in the North Sulawesi region of Indonesia. The Company believes that the Government of Indonesia strongly supports the development of its natural resources by foreign operators. However, there is no assurance that future political and economic conditions in Indonesia will not result in the government adopting different policies respecting foreign development and ownership of mineral resources. Any such changes in policy may result in changes in laws affecting ownership of assets, taxation, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, which may affect both the ability of the Company to undertake exploration and development activities in respect of future properties in the manner currently contemplated, as well as its ability to continue to explore and develop those properties in respect of which it has obtained exploration and development rights to date. The possibility that a future government of Indonesia may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

The economy of Indonesia differs significantly from the economies of Canada, the United States and Western Europe in such respects as structure, level of development, gross national product, growth rate, capital reinvestment, resource allocation, self sufficiency, rate of inflation and balance of payments position, among others. Growth rates, inflation rates and interest rates of developing nations are expected to be more volatile than those of western industrial countries.

Obtaining and Renewing Licenses and Permits

In the ordinary course of business, the Company will be required to obtain and renew governmental licenses or permits for the exploration, development, construction and commencement of mining at the Sangihe Property. Obtaining or renewing the necessary governmental licenses or permits is a complex and time-consuming process involving numerous jurisdictions and often involving public hearings and costly undertakings on our part. The duration and success of the Company's efforts to obtain and renew licenses or permits are contingent upon many variables not within the Company's control, including the interpretation of applicable requirements implemented by the licensing authority. The Company may not be able to obtain or renew licenses or permits that are necessary to its operations, including, without limitation, an exploitation license, or the cost to obtain or renew licenses or permits may exceed what we believe we can recover from the Sangihe Property. Any unexpected delays or costs associated with the licensing or permitting process could delay the development or impede the operation of a mine, which could adversely impact the Company's operations and profitability.

Financing Requirements

The exploration and development of the Sangihe Property will require substantial additional capital. When such additional capital is required, we will need to pursue various financing transactions or arrangements,

including joint venturing of projects, debt financing, equity financing or other means. Additional financing may not be available when needed or, if available, the terms of such financing might not be favourable to the Company and might involve substantial dilution to existing shareholders. The Company may not be successful in locating suitable financing transactions in the time period required or at all. A failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition and results of operations. Any future issuance of securities to raise required capital will likely be dilutive to existing shareholders. In addition, debt and other debt financing may involve a pledge of assets and may be senior to interests of equity holders. The Company may incur substantial costs in pursuing future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. The ability to obtain needed financing may be impaired by such factors as the capital markets (both generally and in the gold industry in particular), our status as a new enterprise with a limited history, the location of the Sangihe Property and the price of gold and/or the loss of key management personnel. Further, if the price of gold and other metals on the commodities markets decreases, then potential revenues from the Sangihe Property will likely decrease and such decreased revenues may increase the requirements for capital. Failure to obtain sufficient financing will result in a delay or indefinite postponement of development or production at the Sangihe Property.

Operating History

The Company has a very limited history of operations and is considered a start-up company. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of our success must be considered in light of our early stage of operations.

Lack of Operating Cash Flow

The Company currently has no source of operating cash flow and is expected to continue to do so for the foreseeable future. The Company's failure to achieve profitability and positive operating cash flows could have a material adverse effect on our financial condition and results of operations.

Metal Price Fluctuations

If the Sangihe Property is developed to production, the majority of the Company's revenue will be derived from the sale of gold and, to a lesser degree, silver. Therefore, fluctuations in the prices of these commodities represent a significant factor that the Company expects will affect its future prospects, operations and potential profitability. The price of gold and other metals are affected by numerous factors beyond the Company's control, including levels of supply and demand, global or regional consumptive patterns, sales by government holders, metal stock levels maintained by producers and others, increased production due to new mine developments and improved mining and production methods, speculative activities related to the sale of metals, availability and costs of metal substitutes, international economic and political conditions, interest rates, currency values and inflation. Declining market prices for these metals could materially adversely affect the Company's future operations and profitability.

Title to Assets

The validity of the exploration licenses related to the Sangihe Property can be uncertain and may be contested. The Company has used reasonable commercial efforts to investigate the status and ownership of the exploration licenses for the Sangihe Property and, to the Company's knowledge, those exploration licenses are in good standing. However, there is no assurance that applicable governmental bodies will not revoke or significantly alter the conditions of the applicable exploration licenses that are included in the

Sangihe Property or that such exploration licenses will not be challenged or impugned by third parties. Indonesia has a growing body of mining laws and changes in such laws could materially and adversely impact our rights to exploration and development of the Sangihe Property.

Although we have received a title opinion for the exploration licenses included in the Sangihe Property, there is no guarantee that title to such property will not be challenged or impugned. Our properties may be subject to prior unregistered liens, agreements or transfers, native land claims or undetected title defects.

Governmental Regulation

The Company's operations, exploration and development activities will be subject to the laws and regulations of Indonesia governing various matters including environmental protection, management and use of toxic substances and explosives, management of natural resources, exploration, development, production, and post-closure reclamation of mines, imports and exports, price controls, taxation, mining royalties, labour standards and occupational health and safety, including mine safety and historic and cultural preservation.

The costs associated with legal compliance will be substantial. In addition, possible future laws and regulations, changes to existing laws and regulations (including the imposition of higher taxes and mining royalties which have been, or may be, implemented or threatened) or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspension of the Company's operations and planned operations and delays in the development of the Sangihe Property. Moreover, these laws and regulations may allow governmental authorities and private parties to bring lawsuits based upon damages to property and injury to persons resulting from the environmental, health and safety impacts of the Company's operations, or possibly even those actions of parties from whom the Company acquired its mines or properties. Such legal actions could lead to the imposition of substantial fines, penalties or other civil or criminal sanctions. It is difficult to strictly comply with all regulations that will be imposed on the Company. The Company intends to retain competent and well-trained individuals and consultants to assist the Company with compliance with such laws and regulations, however, even with the application of considerable skill the Company may inadvertently fail to comply with certain laws. Failure to comply with laws and regulations could lead to financial restatements, fines, penalties, loss, reduction or expropriation of entitlements, the imposition of additional local or foreign parties as joint venture partners with carried or other interests and other material negative impacts on the Company.

Operating Hazards, Risks and Insurance

The ownership, exploration, operation and development of a mine or mineral property involves many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include environmental hazards, industrial accidents, explosions and third-party accidents, the encountering of unusual or unexpected geological formations, ground falls and cave-ins, mechanical failure, unforeseen metallurgical difficulties, power interruptions, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in environmental damage and liabilities, work stoppages, delayed production and resultant losses, increased production costs, damage to, or destruction of, mineral properties or production facilities and resultant losses, personal injury or death and resultant losses, asset write downs, monetary losses, claims for compensation of loss of life and/or damages by third parties in connection with accidents (for loss of life and/or damages and related pain and suffering) that occur on company property, and punitive awards in connection with those claims and other liabilities.

It is not always possible to fully insure against such risks, and we may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise they could reduce or eliminate any future profitability and result in an increase in costs and a decline in value of our securities. Liabilities that the Company incurs may exceed the policy limits of insurance coverage or may not be covered by insurance, in which event the Company could incur significant costs that could adversely impact its business, operations, potential profitability or value. Despite efforts to attract and retain qualified personnel, as well as the retention of qualified consultants, to manage our interests, even when those efforts are successful, people are fallible and human error could result in significant uninsured losses to us. These could include loss or forfeiture of mineral interests or other assets for non-payment of fees or taxes, significant tax liabilities in connection with any tax planning effort we might undertake and legal claims for errors or mistakes by our personnel.

Environmental Hazards

All phases of the Company's operations with respect to the Sangihe Property will be subject to environmental regulation in Indonesia. Environmental legislation in Indonesia involves strict standards and may entail increased scrutiny, fines and penalties for non-compliance, stringent environmental assessments of proposed projects and a high degree of responsibility for companies and their officers, directors and employees. Changes in environmental regulation, if any, may adversely impact the Company's operations and future potential profitability. In addition, environmental hazards may exist on the Sangihe Property which are currently unknown. The Company may be liable for losses associated with such hazards, or may be forced to undertake extensive remedial cleanup action or to pay for governmental remedial cleanup actions, even in cases where such hazards have been caused by previous or existing owners or operators of the property, or by the past or present owners of adjacent properties or by natural conditions. The costs of such cleanup actions may have a material adverse impact on the Company's operations and future potential profitability.

Reclamation Obligations

Reclamation requirements are designed to minimize long-term effects of mining exploitation and exploration disturbance by requiring the operating company to control possible deleterious effluents and to re-establish to some degree pre-disturbance land forms and vegetation. The Company may be subject to such requirements for the Company's activities on the Sangihe Property. Any significant environmental issues that may arise, however, could lead to increased reclamation expenditures and could have a material adverse impact on our financial resources.

Mineral Reserve and Resource Calculations are Only Estimates

Any figures presented for Mineral Resources in this Information Circular and which may be presented in the future or any figures for Sangihe Gold Project that may be presented by the Company in the future are and will only be estimates. There is a degree of uncertainty attributable to the calculation of Sangihe Gold Project and Sangihe Gold Project. Until Sangihe Gold Project is actually mined and processed, the quantity of metal and grades must be considered as estimates only and no assurances can be given that the indicated levels of metals will be produced. The estimating of Sangihe Gold Project is a subjective process that relies on the judgment of the persons preparing the estimates. The process relies on the quantity and quality of available data and is based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While the Company believes that the resource estimates included in this Information Circular for the Sangihe Property are well established and reflect management's best estimates, by their nature resource estimates are imprecise and depend, to a certain extent, upon analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate.

Estimated Sangihe Gold Project may have to be recalculated based on changes in mineral prices, further exploration or development activity or actual production experience. This could materially and adversely affect estimates of the volume or grade of mineralization, estimated recovery rates or other important factors that influence reserve or resource estimates. The extent to which resources may ultimately be reclassified as proven or probable reserves is dependent upon the demonstration of their profitable recovery. Market price fluctuations for minerals, increased production costs or reduced recovery rates, or other factors may render any proven and probable Sangihe Gold Project which may be estimated in the future unprofitable to develop at a particular site or sites. A reduction in any reserves that may be estimated by the Company in the future could have an adverse impact on its future cash flows, earnings, results of operations and financial condition. No assurances can be given that any resource estimates for the Sangihe Property will ultimately be reclassified as proven or probable reserves.

Infrastructure

Exploration, development and processing activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important elements of infrastructure, which affect access, capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration or development of the Sangihe Gold Project. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploration or development of the Sangihe Gold Project will be commenced or completed on a timely basis, if at all. Furthermore, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of necessary infrastructure could adversely affect our operations.

Executive Employee Recruitment and Retention

Recruiting and retaining qualified personnel will be critical to our success. The Company is dependent on the services of key executives including our Chief Executive Officer and other highly skilled and experienced executives and personnel focused on managing its interests. Such executives may not be able to commit their full time and attention to the affairs of the Company. The number of persons skilled in acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Company's business activity grows, it will require additional key financial, administrative, geologic and mining personnel as well as additional operations staff. There is no assurance that it will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increases. If the Company is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on its future cash flows, earnings, results of operations and financial condition.

Adverse General Economic Conditions

The unprecedented events in global financial markets in the past several years have had a profound impact on the global economy. Many industries, including the gold mining industry, were impacted by these market conditions. Some of the key impacts of the financial market turmoil included contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. A similar slowdown in the financial markets or other economic conditions, including but not limited to, inflation, fuel and energy costs, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect our operations. Specifically, a global credit/liquidity crisis could impact the cost and availability of financing and our overall liquidity, the volatility of gold prices would impact the Company's prospects, volatile energy, commodity and consumables prices and currency exchange rates would impact our costs and the devaluation and volatility of global stock markets would impact the valuation of its equity and other

securities. These factors could have a material adverse effect on the Company's financial condition and results of operations.

Competition for New Properties

An element of the Company's business strategy is to make selected acquisitions. The Company expects to continue to evaluate acquisition opportunities on a regular basis and intend to pursue those opportunities that it believes are in its long-term best interests. There is a limited supply of desirable mineral lands available in areas where it would consider conducting exploration or development activities. Because we face strong competition for new properties from other mining companies, some of which have greater financial resources than we do, we may be unable to acquire attractive new mining properties on terms that we consider acceptable. In addition, competition in the mining business for limited sources of capital could adversely impact our ability to acquire and develop suitable gold mines, gold developmental projects, gold producing companies or properties having significant exploration potential. As a result, there is no assurance that the Company will be able to acquire additional mining properties.

The success of any acquisition that the Company makes will depend upon its ability to effectively manage the operations of entities it acquires and to realize other anticipated benefits. The process of managing acquired businesses may involve unforeseen difficulties and may require a disproportionate amount of management resources. There can be no assurance that the Company will be able to successfully manage the operations of businesses the Company acquires or that it will achieve the anticipated benefits of its acquisitions.

Shortages of Critical Parts, Equipment and Skilled Labour

The Company's ability to acquire critical resources such as input commodities, drilling equipment, tires and skilled labour due to increased worldwide demand, may cause unanticipated cost increases and delays in delivery times, thereby impacting operating costs, capital expenditures and development schedules.

Foreign Exchange Rate Fluctuations

Fluctuations in currency exchange rates, particularly the weakening or strengthening of the U.S. dollar (being the currency used to price gold) against the Canadian dollar (used to pay corporate head office costs), and the Indonesian rupiah (being the currency used to pay a significant portion of the Company's capital and operating costs), could have a significant effect on the Company's results of operations. The Company may from time to time engage in trading activities in connection with foreign currency requirements in order to minimize the effect of foreign currency fluctuations on our operating results.

Developments regarding Indigenous Peoples

To the best of the Company's knowledge, although indigenous people may have inhabited the site at one time, no indigenous people currently live in the immediate area of the Sangihe Gold Project site. Developing laws and movements respecting the acquisition of lands and other rights of indigenous communities may alter decades-old arrangements made by prior owners of the lands where the Sangihe Gold Project is located. The Company will use commercially reasonable efforts in its dealings to ensure all agreements are entered into in accordance with applicable laws, but there is no guarantee that future laws and actions will not have a material adverse effect on the Company's operations at the Sangihe Gold Project or on the Company's financial position, cash flow and results of operations.

Community Action

In recent years communities and non-governmental organizations (“NGOs”) have become more vocal and active with respect to mining activities at or near their communities. These communities and NGOs have taken such actions as road closures, work stoppages, and law suits for damages. These actions relate not only to current activities but often in respect to decades old mining activities by prior owners of mining properties. Such actions by communities and NGOs may have a material adverse effect on the Company’s operations at the Sangihe Property and on its financial position, cash flow and results of operations.

Claims and Legal Proceedings

The Company may be subject to claims or legal proceedings covering a wide range of matters that arise in the ordinary course of business activities, including claims relating to ex-employees. These matters may give rise to legal uncertainties or have unfavourable results. In addition, the Company may be involved in disputes with other parties in the future that may result in litigation or unfavourable resolution which could materially adversely impact its financial position, cash flow and results of operations.

In the event of a dispute arising in respect of the Company’s foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada or elsewhere. The Company may also be hindered or prevented from enforcing its rights with respect to a government entity or instrumentality because of, among other things, the doctrine of sovereign immunity. Any adverse or arbitrary decision of a court, arbitrator or other governmental or regulatory body may have a material adverse impact on the Company’s business, assets, prospects, financial condition and results of operations.

The Company’s inability to enforce its contractual rights could have a material adverse effect on its future cash flows, earnings, results of operations and financial condition, as well as its business, assets and prospects.

Conflicts of Interest

Certain of our directors and officers also serve as directors and/or officers of other companies involved in natural resource exploration and development. Consequently, there is a possibility that a conflict could arise for such directors and officers. Any Company-related decision made by any of these directors and officers involving the Company should be made in accordance with their duties and obligations to deal fairly and in good faith and to act in the best interests of the Company and its shareholders.

Construction and Start-up of New Mines

The success of any construction project and the start up of a mine at the Sangihe Gold Project will be subject to a number of factors including the availability and performance of engineering and construction contractors, mining contractors, suppliers and consultants, the receipt of required governmental approvals and licenses (including environmental permits) in connection with the construction of mining facilities and the conduct of mining operations within the regulatory and business environment of Indonesia. Any delay in the performance of any one or more of the contractors, suppliers, consultants or other persons on which we will depend in connection with the Company’s construction activities, a delay in or failure to receive the required governmental approvals and licenses in a timely manner or on reasonable terms, or an operational delay or failure could delay or prevent the construction and start-up of a mine at the Sangihe Gold Project. Even if the Company is successful in defining bodies of commercial mineralization on the Sangihe Gold Project and in receiving required governmental approvals and licenses (including environmental permits) for a mine at the Sangihe Gold Project, there is no assurance that the Company will

be able to obtain sufficient funds to finance construction and start-up activities; that necessary personnel and equipment will be available in a timely manner or on reasonable terms to successfully complete construction of a mine; and that the completion of the construction, the start-up costs and the ongoing operating costs associated with the development of a mine at the Sangihe Property will not be significantly higher than predicted. Any of the foregoing factors could adversely impact the Company's operations and financial condition.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. Any failure in the Company's internal controls over financial reporting may have a material adverse impact on the Company, its financial condition or its results of operations.

The price of the Company's Issued Securities may be volatile and an investor may lose all or part of its investment.

The market price of the Company's securities could fluctuate significantly, and an investor may not be able to resell its securities at or above the subscription price or cost base. Those fluctuations could be based on various factors in addition to those otherwise described in this Information Circular, including:

- our exploration results and operating performance;
- changes in recommendations by research analysts who follow us or other companies in our industry;
- the number of shares available for future sale;
- the passage of legislation or other regulatory developments affecting us or our industry;
- the arrival or departure of key personnel;
- general economic, political and market conditions; and
- other developments affecting us, our industry or our competitors.

A decline in the market price of the Company's securities could cause investors to lose some or all of their investment and may adversely impact our ability to attract and retain employees and raise capital. In addition, shareholders may initiate securities class action lawsuits if the market price of the Company's securities drops significantly, which may cause us to incur substantial costs and could divert the time and attention of our management.

Dilution

Pursuant to the Company's articles of incorporation, it may issue additional securities, including shares and options, rights, warrants and appreciation rights relating to securities for any purpose and for such

consideration and on such terms and conditions as the Board of Directors may determine. The Company may by directors' resolution, create one or more classes or series of shares; subdivide all or any of its unissued, or fully paid issued, shares; 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; alter the identifying name of any of its shares; or adopt alterations to the articles that are procedural or administrative in nature or are matters that pursuant to the articles are solely within the directors' powers, control or authority. The Board of Directors may use such authority to issue additional Common Shares, which would dilute the positions of existing holders of Common Shares, or to issue securities with rights and privileges that are more favourable than those of Common Shares. You will not have any right to consent to or otherwise approve the issuance of any such securities or the terms on which such securities may be issued.

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, fluctuating metal prices, social, political, financial and economics. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, have adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations currently.

The Company intends to proceed to production without the benefit of first establishing mineral reserves supported by a feasibility study. The Company cautions readers that the any production decision made by the Company will not be based on a NI 43-101 feasibility study of mineral reserves that demonstrates economic and technical viability and as such, there may be involved increased uncertainty and various technological and economic risks such as the interpretation of drill results; the geology, grade and continuity of mineral deposits; the possibility that future exploration, development or mining results will not be consistent with our expectations; commodity and currency price fluctuation; failure to obtain adequate financing; regulatory, recovery rates, refinery costs, and other relevant conversion factors, permitting and licensing risks; general market and mining exploration risks and production and economic risks related to design and engineering, manufacturing, technological processes and test procedures and the risk that the project's output will not be salable at a price that will cover the project's operating and maintenance costs.

Financial Risks

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents and receivables. The Company limits exposure to credit risk by maintaining its cash and cash equivalents with high-credit quality financial institutions. Substantially all of the Company's cash and cash equivalents are held with a major Canadian financial institution. A significant portion of receivables is due from the Government of Canada for sales tax refunds. Management of the Company believes that the credit risk concentration with respect to cash and cash equivalents and receivables is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is uncertain. There can be no assurance of continued access to significant equity funding.

Interest and foreign exchange risk

The Company is subject to normal risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, it has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. At May 31, 2023, the Company was not exposed to significant interest rate risk.

Certain of the Company's operating expenditures are denominated in United States Dollars ("USD") and Indonesian Rupiah ("IDR"). The Company's exposure to exchange rate fluctuations arises mainly on foreign currencies against the Canadian dollar functional currency of the relevant business entities. The Company is principally engaged in the exploration and development of mineral properties in Indonesia.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For purposes of the following discussion, "**Informed Person**" means (a) a Director or Executive Officer of the Company; (b) a Director or Executive Officer of a person or company that is itself an Informed Person or a subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company, other than the voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed below, elsewhere herein or in the Notes to the Company's financial statements for the financial years ended August 31, 2022 and August 31, 2021, none of:

- (a) the Informed Persons of the Company;
- (b) the proposed nominees for election as a Director of the Company; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the last financial year of the Company or in a proposed transaction which has materially affected or would materially affect the Company or any subsidiary of the Company.

An informed person is one who generally speaking is a director or executive officer or a 10% shareholder of the Company. To the knowledge of management of the Company, no informed person or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the

Company or any of its subsidiaries during the years ended August 31, 2022 and August 31, 2021, or has any interest in any material transaction in the current year other than as set out herein.

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 senior officers of the Company.

ADDITIONAL INFORMATION

The Company implemented a Rights Plan on July 20, 2023, details of which can be found on the Company's website. Additional information relating to the Company is included in the Company's audited comparative financial statements for the year ended August 31, 2022 and the prior fiscal year, the auditor's report and related management discussion and analysis. Copies of such statements and the Company's most current interim financial statements and related management discussion and analysis, and additional copies of this proxy circular, may be obtained from SEDAR+ at www.sedarplus.ca and upon request from the Company's Secretary at the address of the Company.

OTHER MATTERS

The Directors are not aware of any other matters which they anticipate will come before the Meeting as of the date of mailing of this Information Circular.

DATED November 24, 2023.

BY ORDER OF THE BOARD OF DIRECTORS

“Terrence Filbert”

**Terrence Filbert,
CEO and Director**

SCHEDULE "A"

SHAREHOLDER RIGHTS PLAN AGREEMENT

DATED AS OF JULY 20, 2023

BETWEEN

BARU GOLD CORP.

AND

**COMPUTERSHARE TRUST COMPANY OF
CANADA**

AS RIGHTS AGENT

SHAREHOLDER RIGHTS PLAN
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SHAREHOLDER RIGHTS PLAN AGREEMENT

SHAREHOLDER RIGHTS PLAN AGREEMENT dated as July 20, 2023 between *BARU GOLD CORP.*, a corporation incorporated under the laws of the Province of British Columbia (the "**Company**") and *COMPUTERSHARE TRUST COMPANY OF CANADA*, a company incorporated under the laws of Canada (the "**Rights Agent**").

WHEREAS:

- A. The Board of Directors of the Company has determined that it is in the best interests of the Company to adopt a shareholder rights plan to ensure, to the extent possible, that all shareholders of the Company are treated fairly in connection with any take-over bid for the Company;
- B. In order to implement the adoption of the shareholder rights plan, the Board of Directors has authorized and declared a distribution of one Right effective the close of business on **July 20, 2023** in respect of each Common Share outstanding at the Record Time and has further authorized the issuance of one Right in respect of each Common Share issued after the Record Time and prior to the earlier of the Separation Time and the Expiration Time;
- C. Each Right entitles the holder thereof, after the Separation Time, to purchase securities of the Company pursuant to the terms and subject to the conditions set forth herein;
- D. The Company desires to appoint the Rights Agent to act on behalf of the Company and the holders of Rights, and the Rights Agent is willing to so act, in connection with the issuance, transfer, exchange and replacement of Rights Certificates (as hereinafter defined), the exercise of Rights and other matters referred to herein;

NOW THEREFORE, in consideration of the premises and the respective covenants and agreements set forth herein, and subject to such covenants and agreements, the parties hereby agree as follows:

ARTICLE 1- INTERPRETATION

1.1 Certain Definitions

For purposes of this Agreement, the following terms have the meanings indicated:

- (a) "**1933 Securities Act**" shall mean the United States *Securities Act of 1933*, as amended, and the rules and regulations thereunder, and any comparable or successor laws or regulations thereto;
- (b) "**1934 Exchange Act**" shall mean the United States *Securities Exchange Act of 1934*, as amended, and the rules and regulations thereunder, and any comparable or successor laws or regulations thereto;
- (c) "**Acquiring Person**" means any Person who is the Beneficial Owner of 20% or more of the outstanding Voting Shares; provided, however, that the term "Acquiring Person" shall not include:
 - (i) the Company or any Subsidiary of the Company;
 - (ii) any Person who becomes the Beneficial Owner of 20% or more of the outstanding Voting Shares as a result of one or any combination of:

- (A) a Voting Share Reduction;
- (B) a Permitted Bid Acquisition;
- (C) an Exempt Acquisition;
- (D) a Pro Rata Acquisition;
- (F) a Convertible Security Acquisition;

provided, however, that if a Person becomes the Beneficial Owner of 20% or more of the outstanding Voting Shares by reason of one or any combination of a Voting Share Reduction, a Permitted Bid Acquisition, an Exempt Acquisition, a Pro Rata Acquisition or a Convertible Security Acquisition and such Person's Beneficial Ownership of Voting Shares thereafter increases by more than 1% of the number of Voting Shares outstanding (other than pursuant to one or any combination of a Voting Share Reduction, a Permitted Bid Acquisition, an Exempt Acquisition, a Pro Rata Acquisition or a Convertible Security Acquisition), then as of the date such Person becomes the Beneficial Owner of such additional Voting Shares, such Person shall become an "Acquiring Person";

- (iii) for a period of ten days after the Disqualification Date (as defined below), any Person who becomes the Beneficial Owner of 20% or more of the outstanding Voting Shares as a result of such Person becoming disqualified from relying on Subsection 1.1(h)(v) solely because such Person or the Beneficial Owner of such Voting Shares is making or has announced an intention to make a Take-over Bid, either alone or by acting jointly or in concert with any other Person; (For the purposes of this definition, "**Disqualification Date**" means the first date of public announcement that such Person is making or has announced an intention to make a Take-over Bid alone or jointly or in concert with any other Person);
 - (iv) an underwriter or member of a banking or selling group that becomes the Beneficial Owner of 20% or more of the Voting Shares in connection with a distribution of securities of the Company pursuant to a prospectus or by way of a private placement; or
 - (v) a Person (a "**Grandfathered Person**") who is the Beneficial Owner of 20% or more of the outstanding Voting Shares of the Company determined as at the Record Time, provided, however, that this exception shall not be, and shall cease to be, applicable to a Grandfathered Person in the event that such Grandfathered Person shall, after the Record Time, become the Beneficial Owner of additional Voting Shares of the Company that increases its Beneficial Ownership of Voting Shares by more than 1 % of the number of Voting Shares outstanding as at the Record Time (other than pursuant to one or any combination of a Voting Share Reduction, a Permitted Bid Acquisition, an Exempt Acquisition, Convertible Security Acquisition or a Pro Rata Acquisition);
- (d) "**Administrator**" has the meaning ascribed thereto in Section 1.1(h)(v)(D);
- (e) "**Affiliate**", when used to indicate a relationship with a Person means 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;

- (f) "**Agreement**" means this shareholder rights plan agreement between the Company and the Rights Agent, as the same may be amended or supplemented or restated from time to time; "hereof", "herein", "hereto" and similar expressions mean and refer to this Agreement as a whole and not to any particular part of this Agreement;
- (g) "**Associate**", when used to indicate a relationship with a specified Person, means (i) a spouse of such specified Person, (ii) any Person of either the same or the opposite gender with whom that specified Person is living in a conjugal relationship outside marriage, (iii) a child of that Person, or (iv) a relative of such specified Person or of a Person mentioned in clauses (i) or (ii) of this definition if that relative has the same residence as the specified Person;
- (h) A Person shall be deemed the "**Beneficial Owner**" of, and to have "**Beneficial Ownership**" of, and to "**Beneficially Own**":
- (i) any securities as to which such Person or any of such Person's Affiliates or Associates are the owner at law or in equity;
 - (ii) any securities as to which such Person or any of such Person's Affiliates or Associates has the right to become the owner at law or in equity (where such right is exercisable immediately or within a period of 60 days thereafter and whether or not on condition or the happening of any contingency or the making of any payment or payment of instalments), upon the conversion, exchange or exercise of any right attaching to Convertible Securities or pursuant to any agreement, arrangement, pledge or understanding, whether or not in writing (other than (a) customary agreements with and between underwriters and banking group members and/or selling group members (or any of the foregoing) with respect to a public offering or private placement of securities and (b) pledges of securities in the ordinary course of business) or upon the exercise of any conversion right, exchange right, share purchase right (other than the Rights), warrant or option; or
 - (iii) any securities which are Beneficially Owned within the meaning of Subsections (i) or (ii) of this definition by any other Person with whom such Person or such Person's Affiliates is acting jointly or in concert;

provided, however, that a Person shall not be deemed to be the "**Beneficial Owner**" of, or to have "**Beneficial Ownership**" of, or to "**Beneficially Own**", any security:

- (iv) where such security has been or has been agreed to be deposited or tendered pursuant to a Permitted Lock-up Agreement or is otherwise deposited or tendered to any Take-over Bid made by such Person, made by any of such Person's Affiliates or Associates or made by any other Person acting jointly or in concert with such Person until such deposited or tendered security has been taken up or paid for, whichever shall first occur;
- (v) where such Person, any of such Person's Affiliates or Associates or any other Person acting jointly or in concert with such Person holds such security provided that:
 - (A) the ordinary business of any such Person (the "**Investment Manager**") includes the management of investment funds for others (which others, for greater certainty, may include or be limited to one or more employee benefit plans or pension plans) or mutual funds and such security is held

by the Investment Manager in the ordinary course of such business in the performance of such Investment Manager's duties for the account of any other Person (a "**Client**") including a non-discretionary account held on behalf of a Client by a broker or dealer appropriately registered under applicable law;

- (B) such Person (the "**Trust Company**") is licensed to carry on the business of a trust company under applicable laws and, as such, acts as trustee or administrator or in a similar capacity in relation to the estates of deceased or incompetent Persons (each an "**Estate Account**") or in relation to other accounts (each an "**Other Account**") and holds such security in the ordinary course of such duties for such Estate Account or for such Other Accounts;
- (C) such Person is established by statute for purposes that include, and the ordinary business or activity of such Person (the "**Statutory Body**") includes, the management of investment funds for employee benefit plans, pension plans, insurance plans or various public bodies and the Statutory Body holds such securities for the purpose of its activities as such;
- (D) such Person (the "**Administrator**") is the administrator or trustee of one or more pension funds or plans (a "**Plan**"), or is a Plan, registered under the laws of Canada or any Province thereof or the laws of the United States of America or any State thereof; or
- (E) such Person (the "**Crown Agent**") is a Crown agent or agency;

provided, in any of the above cases, that the Investment Manager, the Trust Company, the Statutory Body, the Administrator, the Plan or the Crown Agent, as the case may be, is not then making a Take-over Bid or has not then announced an intention to make a Takeover Bid alone or acting jointly or in concert with any other Person, other than an Offer to Acquire Voting Shares or other securities (x) pursuant to a distribution by the Company, (y) by means of a Permitted Bid, or (z) by means of ordinary market transactions (including prearranged trades entered into in the ordinary course of business of such Person) executed through the facilities of a stock exchange or organized over-the-counter market;

- (vi) where such Person is (A) a Client of the same Investment Manager as another Person on whose account the Investment Manager holds such security, (B) an Estate Account or an Other Account of the same Trust Company as another Person on whose account the Trust Company holds such security or (C) a Plan with the same Administrator as another Plan on whose account the Administrator holds such security;
- (vii) where such Person is (A) a Client of an Investment Manager and such security is owned at law or in equity by the Investment Manager, (B) an Estate Account or an Other Account of a Trust Company and such security is owned at law or in equity by the Trust Company or (C) a Plan and such security is owned at law or in equity by the Administrator of the Plan; or
- (viii) where such Person is a registered holder of such security solely as a result of carrying on the business of, or acting as a nominee of, a securities

depository;

- (i) "**Board of Directors**" means the board of directors of the Company or any duly constituted and empowered committee thereof;
- (j) "**Business Corporations Act**" means the British Columbia Business Corporations Act, S.B.C. 2002, c. 57, as amended, and the regulations made thereunder and any comparable or successor laws or regulations thereto;
- (k) "**Business Day**" means any day other than a Saturday, Sunday or a day on which banking institutions in Vancouver, British Columbia are authorized or obligated by law to close;
- (l) "**Canadian Dollar Equivalent**" of any amount which is expressed in U.S. dollars means, on any date, the Canadian dollar equivalent of the amount determined by multiplying the amount by the U.S.-Canadian Exchange Rate in effect on such date;
- (m) "**Client**" has the meaning ascribed thereto in Subsection 1.1(h)(v)(A);
- (n) "**Close of business**" on any given date means the time on such date (or, if such date is not a Business Day, the time on the next succeeding Business Day) at which the principal transfer office in Vancouver, British Columbia of the transfer agent for the Common Shares (or, after the Separation Time, the principal transfer office in Vancouver, British Columbia of the Rights Agent) is closed to the public;
- (o) "**Common Shares**" means the common shares in the capital of the Company;
- (p) "**Competing Permitted Bid**" means a Take-over Bid that:
 - (i) is made after a Permitted Bid or another Competing Permitted Bid has been made and prior to the expiry of such Permitted Bid or Competing Permitted Bid;
 - (ii) satisfies all provisions of the definition of a Permitted Bid other than the requirement set out in Subsection 1.1(II)(ii)(A) of the definition of Permitted Bid; and
 - (iii) contains, and the take-up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified condition that no Voting Shares will be taken up or paid for pursuant to the Take-over Bid prior to the close of business on a date that is no earlier than the later of: (A) the earliest date on which Voting Shares may be taken up and paid for under any Permitted Bid or other Competing Permitted Bid outstanding on the date of commencement of such Competing Permitted Bid; and (B) 35 days after the date of the Take-over Bid constituting such Competing Permitted Bid;

provided always, for greater certainty, that a Competing Permitted Bid will cease to be a Competing Permitted Bid at any time when such bid ceases to meet any of the provisions of this definition and provided that, at such time, any acquisition of Voting Shares made pursuant to such Competing Permitted Bid, including any acquisitions of Voting Shares theretofore made, will cease to be a Permitted Bid Acquisition;

- (q) "**Controlled**" a Person is "controlled" by another Person or two or more other Persons acting jointly or in concert if:
 - (i) in the case of a body corporate, securities entitled to vote in the election of directors of such body corporate carrying more than 50% of the votes for the election of directors are held, directly or indirectly, by or for the benefit of the

other Person or Persons and the votes carried by such securities are entitled, if exercised, to elect a majority of the board of directors of such body corporate; or

- (ii) in the case of a Person which is not a body corporate, more than 50% of the voting or equity interests of such entity are held, directly or indirectly, by or for the benefit of the other Person or Persons;

and "controls", "controlling" and "under common control with" shall be interpreted accordingly;

(r) "**Convertible Securities**" shall mean, at any time:

- (i) any right (contractual or otherwise, regardless of whether it would be considered a security); or
- (ii) any securities issued by the Company (including rights, warrants and options but not including the Rights) carrying any purchase, exercise, conversion or exchange right,

pursuant to which the holder thereof may acquire Voting Shares or other securities convertible into or exercisable or exchangeable for Voting Shares (in each case, whether such right is exercisable immediately or after a specified period and whether or not on condition or the happening of any contingency);

(s) "**Convertible Security Acquisition**" means the acquisition of Voting Shares from the Company upon the exercise or pursuant to the terms and conditions of any Convertible Securities acquired by a Person pursuant to a Permitted Bid Acquisition, an Exempt Acquisition or a Pro Rata Acquisition;

(t) "**Co-Rights Agents**" has the meaning ascribed thereto in Subsection 4.1(a);

(u) "**Disposition Date**" has the meaning ascribed thereto in Subsection 5.1(h);

(v) "**Dividend Reinvestment Acquisition**" means an acquisition of Voting Shares pursuant to a Dividend Reinvestment Plan;

(w) "**Dividend Reinvestment Plan**" means a regular dividend reinvestment or other plan of the Company made available by the Company to holders of its securities or to holders of securities of a Subsidiary where such plan permits the holder to direct that some or all of:

- (i) dividends paid in respect of shares of any class of the Company or a Subsidiary;
- (ii) proceeds of redemption of shares of the Company or a Subsidiary;
- (iii) Interest paid on evidences of indebtedness of the Company or a Subsidiary; or
- (iv) optional cash payments;

be applied to the purchase from the Company of Voting Shares;

(x) "**Effective Date**" means the date of this Agreement;

(y) "**Election to Exercise**" has the meaning ascribed thereto in Subsection 2.2(d) (ii);

- (z) "**Exempt Acquisition**" means an acquisition of Voting Shares or Convertible Securities (i) in respect of which the Board of Directors has waived the application of Section 3.1 pursuant to the provisions of Subsection 5.1(a), (h) or (j); pursuant to a distribution of Voting Shares or Convertible Securities made by the Company pursuant to a prospectus or a securities exchange take-over bid, by way of a private placement, provided that such private placement has received the approval of the Board of Directors and all applicable securities regulatory authorities, or pursuant to an amalgamation, merger, plan of arrangement or other statutory procedure requiring shareholder approval;
- (aa) "**Exercise Price**" means, as of any date, the price at which a holder may purchase the securities issuable upon exercise of one whole Right which, until adjustment thereof in accordance with the terms hereof, shall be an amount equal to **fifty percent (50%)** of the Market Price per Common Share determined as at the Separation Time;
- (bb) "**Expansion Factor**" has the meaning ascribed thereto in Subsection 2.3(a)(v);
- (cc) "**Expiration Time**" means the earlier of (i) the termination time, and (ii) the termination of any meeting of holders of Voting Shares at which this Agreement was not confirmed or reconfirmed as provided for in Sections 5.15 and 5.16;
- (dd) "**Flip-in Event**" means a transaction in or pursuant to which any Person becomes Acquiring Person;
- (ee) "**holder**" has the meaning ascribed thereto in Section 2.8;
- (ff) "**Independent Shareholders**" means holders of Voting Shares, other than:
 (i) any Acquiring Person;
 (ii) any Offeror (other than any Person who, by virtue of Subsection 1.1(h)(v), is not deemed to Beneficially Own the Voting Shares held by such Person);

- (iii) any Affiliate or Associate of any Acquiring Person or Offeror;
- (iv) any Person acting jointly or in concert with any Acquiring Person or Offeror; and
- (v) any employee benefit plan, deferred profit sharing plan, stock participation plan and any other similar plan or trust for the benefit of employees of the Company or a Subsidiary unless the beneficiaries of the plan or trust direct the manner in which the Voting Shares are to be voted or withheld from voting or direct whether the Voting Shares are to be tendered to a Take-over Bid;

(gg) "**Investment Manager**" has the meaning ascribed thereto in Subsection 1.1(h)(v)(A);

(hh) "**Market Price**" per share of any securities on any date of determination means the average of the daily closing prices per share of such securities (determined as described below) on each of the 20 consecutive Trading Days through and including the Trading Day immediately preceding such date; provided, however, that if an event of a type analogous to any of the events described in Section 2.3 hereof shall have caused the closing prices used to determine the Market Price on any Trading Days not to be fully comparable with the closing price on such date of determination (or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day), each closing price so used shall be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 hereof in order to make it fully comparable with the closing price on such date of determination or if the date of determination is not a Trading Day, on the immediately preceding Trading Day. The closing price per share of any securities on any date shall be:

- (i) the closing board lot sale price or, in case no such sale takes place on such date, the average of the closing bid and asked prices for each of such securities as reported by the principal Canadian stock exchange on which such securities listed and admitted to trading;
- (ii) if for any reason none of such prices is available on such day or the securities are not listed or posted for trading on a Canadian stock exchange, the last sale price or, in case no such sale takes place on such date, the average of the closing bid and asked prices for each of such securities as reported by the principal national United States securities exchange on which such securities are listed or admitted to trading;
- (iii) if for any reason none of such prices is available on such day or the securities are not listed or admitted to trading on a Canadian stock exchange, national United States stock exchange or any other stock exchange, the last sale price or, in case no sale takes place on such date, the average of the high bid and low asked prices for each of the securities in the over-the-counter market, as quoted by any recognized reporting system then in use (as determined by the Board of Directors); or
- (iv) if for any reason none of such prices is available on such day or the securities are not listed or admitted to trading on a Canadian stock exchange, a national United States securities exchange or any other stock exchange or quoted by any reporting system, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the securities selected in good faith by the Board of Directors;

provided, however, that if for any reason none of such prices is available on such day, the closing price per share of the securities on such date means the fair value per share of the securities on such date as determined by an nationally recognized investment dealer or investment banker selected by the Board of Directors. The Market Price shall be expressed in Canadian dollars. Provided further that if an event of a type analogous to any of the events described in Section 2.3 hereof shall have caused any price used to determine the Market Price on any Trading Day not to be fully comparable with the price as so determined on the Trading Day immediately preceding such date of determination, each such price so used shall be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 hereof in order to make it fully comparable with the price on the Trading Day immediately preceding such date of determination. If any relevant amount used in calculating the Market Price happens to be in United States dollars, such amount shall be translated into Canadian dollars on that date at the Canadian Dollar Equivalent thereof,

(ii) "**Nominee**" has the meaning ascribed thereto in Subsection 2.2(c);

(jj) "**Offer to Acquire**" includes:

- (i) an offer to purchase or a solicitation of an offer to sell Voting Shares; and
- (ii) an acceptance of an offer to sell Voting Shares, whether or not such offer to sell has been solicited;

or any combination thereof and the Person accepting an offer to sell shall be deemed to be making an Offer to Acquire to the Person that made the offer to sell;

(kk) "**Offeror**" means a Person who has announced, and has not withdrawn, an intention to make or who has made, and has not withdrawn, a Take-over Bid, other than a Person who has completed a Permitted Bid, a Competing Permitted Bid or an Exempt Acquisition;

(ll) "**Offeror's Securities**" means Voting Shares Beneficially Owned by an Offeror on the date of the Offer to Acquire;

(mm) "**Other Account**" has the meaning ascribed thereto in Section 1.1(h)(v)(B);

(nn) "**Permitted Bid**" means a Take-over Bid made by a Person by way of take-over bid circular which also complies with the following additional provisions:

- (i) the Take-over Bid is made to all holders of Voting Shares as registered on the books of the Company, other than the Person making the Take-over Bid (the "**Permitted Bid Offeror**");
- (ii) the Take-over Bid contains, and the take-up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified provision that no Voting Shares will be taken up or paid for pursuant to the Take-over Bid:
 - (A) prior to the close of business on the date which is not less than 60 days following the date the take-over bid circular is sent to holders of Voting Shares; and

- (B) Unless at such date more than 50% of the then outstanding Voting Shares held by Independent Shareholders shall have been deposited or tendered pursuant to the Take-over Bid and not withdrawn;
- (iii) unless the Take-over Bid is withdrawn, the Take-over Bid contains an irrevocable and unqualified provision that Voting Shares may be deposited pursuant to such Take-over Bid at any time during the period of time described in Subsection 1.1(nn)(ii)(A) and that any Voting Shares deposited pursuant to the Take-over Bid may be withdrawn until taken up and paid for; and
- (iv) unless the Take-over Bid is withdrawn, the Take-over Bid contains an irrevocable and unqualified provision that in the event that the deposit condition set forth in Subsection 1.1(nn)(ii)(B) is satisfied the Permitted Bid Offeror will make a public announcement of that fact and the Take-over Bid will remain open for deposits and tenders of Voting Shares for not less than ten Business Days from the date of such public announcement;

provided always that a Permitted Bid will cease to be a Permitted Bid at any time when such bid ceases to meet any of the provisions of this definition and provided that, at such time, any acquisition of Voting Shares made pursuant to such Permitted Bid, including any acquisitions of Voting Shares theretofore made, will cease to be a Permitted Bid Acquisition;

(oo) "**Permitted Bid Acquisition**" means an acquisition of Voting Shares made pursuant to a Permitted Bid or a Competing Permitted Bid;

(pp) "**Permitted Lock-up Agreement**" means an agreement between an Offeror, any of its Affiliates or Associates or any other Person acting jointly or in concert with the Offeror and a Person (the "Locked-up Person") who is not an Affiliate or Associate of the Offeror or a Person acting jointly or in concert with the Offeror (the terms of which agreement are publicly disclosed and a copy of which is made available to the public (including the Company) not later than the date the Lock-up Bid (as defined below) is publicly announced or if the Lock-up Bid has been made prior to the date on which such agreement is entered into, forthwith, and in any event not later than the date following the date of such agreement) whereby the Locked-up Person agrees to deposit or tender the Voting Shares held by the Locked-up Person to the Offeror's Take-over Bid or to any Takeover Bid made by any of the Offeror's Affiliates or Associates or made by any other Person acting jointly or in concert with the Offeror (the "**Lock-up Bid**") provided such agreement:

- (i) permits the Locked-up Person to withdraw the Voting Shares from the agreement in order to tender or deposit the Voting Shares to another Take-over Bid or to support another transaction (whether by way of merger, amalgamation, arrangement, reorganization or other transaction) (the "**Superior Offer Consideration**") that in either case will provide a greater cash equivalent value per Voting Share to the holders of Voting Shares than the Locked-up Person otherwise would have received to pay under the Lock-up Bid (the "**Lock-up Bid Consideration**"). Notwithstanding the above, the Lock-Up Agreement may require that the Superior Offer Consideration must exceed the Lock-up Bid Consideration by a specified percentage before such withdrawal right takes effect, provided such specified percentage is not greater than 7%;

(and, for greater clarity, such agreement may contain a right of first refusal or require a period of delay to give an Offeror an opportunity to match a higher price in another Take-over Bid or transaction and may provide for any other similar limitation on a Locked-up Person's right to withdraw Voting Shares from the agreement, as long as the limitation does not preclude the exercise by the Locked-up Person of the right to withdraw Voting Shares during the period of the other Take-over Bid or other transaction); and

- (ii) does not provide for any "break-up" fees, "top-up" fees, penalties, expenses or other amounts that exceed in the aggregate the greater of:
 - (A) the cash equivalent of 2.5% of the price or value payable under the Lock-up Bid to a Locked-Up Person; and
 - (B) 50% of the amount by which the price or value payable under another Take-over Bid or transaction exceeds the price or value of the consideration that such Locked-up Person would have received under the Lock-up Bid;

being payable or forfeited by a Locked-up Person pursuant to the agreement in the event a Locked-up Person fails to deposit or tender Voting Shares to the Lock-up Bid, withdraws Voting Shares previously tendered thereto to another Take-over Bid or supports another transaction;

(qq) "**Person**" includes any individual, firm, partnership, association, trust, trustee, executor, administrator, legal personal representative, body corporate, joint venture, corporation, unincorporated organization, syndicate, governmental entity or other entity;

(rr) "**Plan**" has the meaning ascribed thereto in Section 1.1(h)(v)(D);

(ss) "**Pro Rata Acquisition**" means an acquisition by a Person of Voting Shares or Convertible Securities pursuant to:

- (i) a Dividend Reinvestment Acquisition;
- (ii) a stock dividend, stock split or other event in respect of securities of the Company of one or more particular classes or series pursuant to which such Person becomes the Beneficial Owner of Voting Shares on the same pro rata basis as all other holders of securities of the particular class, classes or series;
- (iii) the acquisition or the exercise by the Person of only those rights to purchase Voting Shares distributed by the Company to that Person in the course of a distribution to all holders of securities of the Company of one or more particular classes or series pursuant to a rights offering or pursuant to a prospectus, provided that the Person does not thereby acquire a greater percentage of such Voting Shares, or securities convertible into or exchangeable for Voting Shares, so offered than the Person's percentage of Voting Shares Beneficially Owned immediately prior to such acquisition and that such rights are acquired directly from the Company and not from any other Person; or
- (iv) a distribution of Voting Shares, or securities convertible into or exchangeable for Voting Shares (and the conversion or exchange of such convertible or exchangeable securities), by the Company, provided that the Person does not thereby acquire a greater percentage of such Voting Shares, or securities

convertible into or exchangeable for Voting Shares, so offered in the distribution than the Person's percentage of Voting Shares Beneficially Owned immediately prior to such acquisition;

- (tt) "**Record Time**" means close of business on the date of this Agreement;
- (uu) "**Redemption Price**" has the meaning ascribed thereto under Subsection 5.1(b) of this Agreement;
- (vv) "**Right**" means a right to purchase a Common Share upon the terms and subject to the conditions set forth in this Agreement;
- (ww) "**Rights Certificate**" means the certificates representing the Rights after the Separation Time, which shall be substantially in the form attached hereto as Attachment 1 or such other form as the Company and the Rights Agent may agree;
- (xx) "**Rights Holders' Special Meeting**" means a meeting of the holder of Rights called by the Board of Directors for the purpose of approving a supplement or amendment to this Agreement pursuant to Subsection 5.4(c);
- (yy) "**Rights Register**" has the meaning ascribed thereto in Subsection 2.6(a);
- (zz) "**Rights Registrar**" has the meaning ascribed thereto in Subsection 2.6(a);
- (aaa) "**Securities Act (British Columbia)**" means the Securities Act, R.S.B.C. 1996 c.418, as amended, and the regulations and rules thereunder, and any comparable or successor laws or regulations and rules thereto;
- (bbb) "**Separation Time**" means the close of business on the tenth Trading Day after the earlier of:
 - (i) the Stock Acquisition Date;
 - (ii) the date of the commencement of or first public announcement of the intent of any Person (other than the Company or any Subsidiary of the Company) to commence a Take-over Bid (other than a Permitted Bid or a Competing Permitted Bid); and
 - (iii) the date on which a Permitted Bid or Competing Permitted Bid ceases to be such;or such later time as may be determined by the Board of Directors, and provided that, if any Take-over Bid referred to in Subsection (ii) or Permitted Bid or Competing Permitted Bid referred to in Subsection (iii) is not made, expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, such Take-over Bid, Permitted Bid or Competing Permitted Bid, as applicable, shall be deemed, for the purposes of this definition, never to have been made;
- (ccc) "**Special Meeting**" means a special meeting of the holder of Voting Shares, called by the Board of Directors for the purpose of approving a supplement or amendment to this Agreement pursuant to Subsection 5.4(b);

(ddd) "**Stock Acquisition Date**" means the first date of public announcement (which, for purposes of this definition, shall include, without limitation, a report filed pursuant to section 5.2 of National Instrument 62-104), as any of the aforementioned legislation may be amended or substituted from time to time) by the Company or an Acquiring Person indicating that an Acquiring Person has become such;

(eee) "**Subsidiary**": a corporation is a Subsidiary of another corporation if:

- (i) it is controlled by:
 - (A) that other; or
 - (B) that other and one or more corporations, each of which is controlled by that other; or
 - (C) two or more corporations, each of which is controlled by that other; or
- (ii) it is a Subsidiary of a corporation that is that other's Subsidiary;

"**Take-over Bid**" means an Offer to Acquire Voting Shares, or Convertible Securities if, assuming that the Voting Shares or Convertible Securities subject to the Offer to Acquire are acquired and are Beneficially Owned at the date of such Offer to Acquire by the Person making such Offer to Acquire, such Voting Shares (including Voting Shares that may be acquired upon the conversion, exchange or exercise of the rights under such Convertible Securities into Voting Shares) together with the Offerors' Securities, constitute in the aggregate 20% or more of the outstanding Voting Shares at the date of the Offer to Acquire;

(fff) "**Trading Day**", when used with respect to any securities, means a day on which the principal stock exchange in Canada on which such securities are listed or admitted to trading is open for the transaction of business or, if the securities are not listed or admitted to trading on any Canadian stock exchange, a Business Day;

(ggg) "**Trust Company**" has the meaning ascribed thereto in Subsection 1.1(h)(v)(B);

(hhh) "**U.S.-Canadian Exchange Rate**" means, on any date:

- (i) if on such date the Bank of Canada sets an average noon spot rate of exchange for the conversion of one United States dollar into Canadian dollars, such rate; and
 - (ii) in any other case, the rate for such date for the conversion of one United States dollar into Canadian dollars calculated in such manner as may be determined by the Board of Directors from time to time acting in good faith;
- (iii) "**Voting Share Reduction**" means an acquisition or redemption by the Company of Voting Shares which, by reducing the number of Voting Shares outstanding, increases the proportionate number of Voting Shares Beneficially Owned by any Person to 20% or more of the Voting Shares then outstanding; and

(jjj) "**Voting Shares**" means the Common Shares and any other shares in the capital of the Company entitled to vote generally in the election of all directors.

1.2 Currency

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada, unless otherwise specified.

1.3 Headings and Interpretation

The division of this Agreement into Articles, Sections, Subsections, Clauses, Paragraphs, Subparagraphs or other portions hereof and the insertion of headings, subheadings and a table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. In this Agreement, where the context so admits, words importing the singular include the plural and vice versa and words importing gender includes the masculine, feminine and neuter genders.

1.4 Calculation of Number and Percentage of Beneficial Ownership of Outstanding Voting Shares

For purposes of this Agreement, the percentage of Voting Shares Beneficially Owned by any Person, shall be and be deemed to be the product (expressed as a percentage) determined by the formula:

$$100 \quad \times \quad \frac{A}{B}$$

where:

A = the number of votes for the election of all directors generally attaching to the Voting Shares Beneficially Owned by such Person; and

B = the number of votes for the election of all directors generally attaching to all outstanding Voting Shares.

Where any Person is deemed to Beneficially Own unissued Voting Shares, such Voting Shares shall be deemed to be outstanding for the purpose of calculating the percentage of Voting Shares Beneficially Owned by such Person, but no other unissued Voting Shares shall, for the purposes of such calculation, be deemed to be outstanding.

1.5 Acting Jointly or in Concert

For the purposes of this Agreement, a Person is acting jointly or in concert with every Person who is a party to any agreement, commitment or understanding (whether formal or informal and whether or not in writing) with the first Person (the "**First Person**") or any Associate or Affiliate thereof or any other Person acting jointly or in concert with the First Person, to acquire or offer to acquire Voting Shares (other than customary agreements (i) with and between underwriters or banking group members or selling group members with respect to a public offering or private placement of securities or pledges of securities in the ordinary course of business, and (ii) among shareholders of the Company for legitimate corporate governance activities).

1.6 Generally Accepted Accounting Principles

Wherever in this Agreement reference is made to generally accepted accounting principles, such reference shall be deemed to be the recommendations at the relevant time of the Canadian Institute of Chartered Accountants, or any successor institute, applicable on a consolidated basis (unless otherwise specifically provided herein to be applicable on an unconsolidated basis) as at the date on which a calculation is made or required to be made in accordance with Canadian generally accepted accounting principles. Where the character or amount of any asset or liability or item of revenue or expense is required to be determined, or any consolidation or other accounting computation is required to be made for the purpose of this Agreement or any document, such determination or calculation shall, to the extent applicable and except as otherwise specified herein or as otherwise agreed in writing by the parties, be made in accordance with generally accepted accounting principles applied on a consistent basis.

1.7 References to 1933 Securities Act and 1934 Exchange Act

For the purposes of this Agreement, the references herein to the 1933 Securities Act or the 1934 Exchange Act shall have no force and effect during such time as the Corporation is not subject to the provisions of such Acts.

ARTICLE 2 – THE RIGHTS

2.1 Issue of Rights: Legend on Common Share Certificates

- (a) One Right shall be issued on the Effective Date in respect of each Common Share outstanding at the Record Time and one Right shall be issued in respect of each Common Share issued after the Record Time and prior to the earlier of the Separation Time and the Expiration Time.
- (b) Certificates representing Common Shares which are issued prior to the earlier of the Separation Time and the Expiration Time shall evidence one Right for each Common Share represented thereby. Certificates representing Common Shares that are issued after the Record Time but prior to the earlier of the Separation Time and the Expiration Time shall have impressed on, printed on, written on or otherwise affixed to them a legend substantially in the following form:

"Until the Separation Time (defined in the Agreement below), this certificate also evidences the holder's rights described in a Shareholder Rights Plan Agreement dated as of **July 20, 2023** (the "**Agreement**") between **Baru Gold Corp.** (the "**Company**") and **Computershare Trust Company of Canada.**, as the same may from time to time be amended, the terms of which are incorporated herein by reference and a copy of which is on file at the principal office of the Company. Under certain circumstances set out in the Agreement, the Rights may be amended or redeemed, may expire, may become void (if, in certain circumstances, they are "**Beneficially Owned**" by an "**Acquiring Person**", as such terms are defined in the Agreement, or a transferee thereof) or may be evidenced by separate certificates and no longer evidenced by this certificate. The Company will mail or arrange for the mailing of a copy of the Agreement to the holder of this certificate without charge as soon as practicable after the receipt of a written request therefor."

Certificates representing Common Shares that are issued and outstanding at the Record Time shall evidence one Right for each Common Share evidenced thereby, notwithstanding the absence of a legend in accordance with this Subsection 2.1(b), until the earlier of the Separation Time and the Expiration Time.

Registered holders of Common Shares who have not received a share certificate and are entitled to do so on the earlier of the Separation Time and Expiration Time shall be entitled to Rights as if such certificates had been issued and such Rights shall for all purposes hereof be evidenced by the corresponding entries on the Company's securities register for Common Shares.

2.2 Initial Exercise Price; Exercise of Rights; Detachment of Rights

- (a) Subject to Subsection 3.1(a) and adjustment as herein set forth, each Right will entitle the holder thereof, from and after the Separation Time and prior to the Expiration Time, to purchase one Common Share for the Exercise Price (and the Exercise Price and number of Common Shares are subject to adjustment as set forth below). Notwithstanding any other provision of this Agreement, any Rights held by the Company or any of its Subsidiaries shall be void.
- (b) Until the Separation Time:
 - (i) the Rights shall not be exercisable and no Right may be exercised; and
 - (ii) for administration purposes, each Right will be evidenced by the certificate for the associated Common Share registered in the name of the holder thereof (which certificate shall also be deemed to represent a Rights Certificate) and will be transferable only together with, and will be transferred by a transfer of, such associated Common Share.
- (c) From and after the Separation Time and prior to the Expiration Time:
 - (i) the Rights shall be exercisable; and
 - (ii) the registration and transfer of Rights shall be separate from and independent of Common Shares.

Promptly following the Separation Time, the Company will prepare and the Rights Agent will mail to each holder of record of Common Shares as of the Separation Time (other than an Acquiring Person and, in respect of any Rights Beneficially Owned by such Acquiring Person which are not held of record by such Acquiring Person, the holder of record of such Rights (a "**Nominee**")), at such holder's address as shown by the records of the Company (the Company hereby agreeing to furnish copies of such records to the Rights Agent for this purpose): (x) a Rights Certificate appropriately completed, representing the number of Rights held by such holder at the Separation Time and having such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Company may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any law, rule or regulation or with any rule or regulation of any self-regulatory organization, stock exchange or quotation system on which the Rights may from time to time be listed or traded, or to conform to standard usage; and (y) a disclosure statement prepared by the Company describing the Rights, provided that a Nominee shall be sent the materials provided for in clauses (x) and (y) in respect of all Common Shares held of record by it which are not Beneficially Owned by an Acquiring Person.

- (d) Rights may be exercised, in whole or in part, on any Business Day after the Separation Time and prior to the Expiration Time by submitting to the Rights Agent:
 - (i) the Rights Certificate evidencing such Rights;
 - (ii) an election to exercise such Rights (an "**Election to Exercise**") substantially in the

form attached to the Rights Certificate appropriately completed and duly executed by the holder or his executors or administrators or other personal representatives or his or their legal attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Rights Agent; and

(iii) payment by certified cheque, banker's draft or money order payable to the order of the Company, of a sum equal to the Exercise Price multiplied by the number of Rights being exercised and a sum sufficient to cover any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for Common Shares in a name other than that of the holder of the Rights being exercised.

- (e) Upon receipt of a Rights Certificate, together with a completed Election to Exercise executed in accordance with Subsection 2.2(d)(ii), which does not indicate that such Right is null and void as provided by Subsection 3.1(b), and payment as set forth in Subsection 2.2(d)(iii), the Rights Agent (unless otherwise instructed by the Company in the event that the Company is of the opinion that the Rights cannot be exercised in accordance with this Agreement) will thereupon promptly:
- (i) requisition from the Company's transfer agent certificates representing the number of such Common Shares to be purchased (the Company hereby irrevocably authorizing its transfer agent to comply with all such requisitions);
 - (ii) when appropriate, requisition from the Company the amount of cash to be paid in lieu of issuing fractional Common Shares in accordance with Subsection 5.5(b);
 - (iii) after receipt of the certificates referred to in Subsection 2.2(e)(i), deliver the same to or upon the order of the registered holder of such Rights Certificates, registered in such name or names as may be designated by such holder;
 - (iv) when appropriate, after receipt, deliver the cash referred to in Subsection 2.2(e)(ii) to or to the order of the registered holder of such Rights Certificate; and
 - (v) tender to the Company all payments received on exercise of Rights.
- (f) In case the holder of any Rights shall exercise less than all the Rights evidenced by such holder's Rights Certificate, a new Rights Certificate evidencing the Rights remaining unexercised (subject to the provisions of Subsection 5.5(a)) will be issued by the Rights Agent to such holder or to such holder's duly authorized assigns.
- (g) The Company covenants and agrees that it will:
- (i) take all such action as may be necessary and within its power to ensure that all Common Shares delivered upon exercise of Rights shall, at the time of delivery of the certificates for such Common Shares (subject to payment of the Exercise Price), be duly and validly authorized, executed, issued and delivered as fully paid and non-assessable;
 - (ii) take all such action as may be necessary and within its power to comply with the requirements of the Business Corporations Act, the Securities Act (British Columbia), the 1933 Securities Act, the 1934 Exchange Act, the securities laws or comparable legislation of each of the provinces of Canada and any other applicable law, rule or regulation, in connection with the issuance and delivery of the Rights Certificates and

the issuance of any Common Shares upon exercise of Rights;

- (iii) use reasonable efforts to cause all Common Shares issued upon exercise of Rights to be listed on the principal stock exchanges on which such Common Shares were traded immediately prior to the Stock Acquisition Date;
- (iv) cause to be reserved and kept available out of the authorized and unissued Common Shares, the number of Common Shares that, as provided in this Agreement, will from time to time be sufficient to permit the exercise in full of all outstanding Rights;
- (v) pay when due and payable, if applicable, any and all federal, provincial and municipal transfer taxes and charges (not including any income or capital taxes of the holder or exercising holder or any liability of the Company to withhold tax) which may be payable in respect of the original issuance or delivery of the Rights Certificates, or certificates for Common Shares to be issued upon exercise of any Rights, provided that the Company shall not be required to pay any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for Common Shares in a name other than that of the holder of the Rights being transferred or exercised; and
- (vi) after the Separation Time, except as permitted by Section 5.1, not take (or permit any Subsidiary to take) any action if at the time such action is taken it is reasonably foreseeable that such action will diminish substantially or otherwise eliminate the benefits intended to be afforded by the Rights.

2.3 Adjustments to Exercise Price; Number of Rights

The Exercise Price, the number and kind of securities subject to purchase upon exercise of each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 2.3.

- (a) In the event the Company shall at any time after the date of this Agreement:
 - (i) declare or pay a dividend on Common Shares payable in Common Shares (or other securities exchangeable for or convertible into or giving a right to acquire Common Shares or other securities of the Company) other than pursuant to any optional stock dividend program;
 - (ii) subdivide or change the then outstanding Common Shares into a greater number of Common Shares;
 - (iii) consolidate or change the then outstanding Common Shares into a smaller number of Common Shares; or

- (iv) issue any Common Shares (or other securities exchangeable for or convertible into or giving a right to acquire Common Shares or other securities of the Company) in respect of, in lieu of or in exchange for existing Common Shares except as otherwise provided in this Section 2.3,

the Exercise Price and the number of Rights outstanding, or, if the payment or effective date therefor shall occur after the Separation Time, the securities purchasable upon exercise of Rights shall be adjusted as of the payment or effective date in the manner set forth below.

If the Exercise Price and number of Rights outstanding are to be adjusted:

- (v) the Exercise Price in effect after such adjustment will be equal to the Exercise Price in effect immediately prior to such adjustment divided by the number of Common Shares (or other capital stock) that a holder of one Common Share immediately prior to such dividend, subdivision, change, consolidation or issuance would hold immediately thereafter as a result thereof (for the purpose of this Agreement, "**Expansion Factor**" shall mean the number of Common Shares (or other capital stock) that a holder of one Common Share immediately prior to such dividend, subdivision, change, consolidation or issuance would hold immediately thereafter as a result thereof divided by one Common Share); and
- (vi) each Right held prior to such adjustment will become that number of Rights equal to the Expansion Factor,

and the adjusted number of Rights will be deemed to be distributed among the Common Shares with respect to which the original Rights were associated (if they remain outstanding) and the shares issued in respect of such dividend, subdivision, change, consolidation or issuance, so that each such Common Share (or other capital stock) will have exactly one Right associated with it.

For greater certainty, if the securities purchasable upon exercise of Rights are to be adjusted, the securities purchasable upon exercise of each Right immediately after such adjustment will be the securities that a holder of the securities purchasable upon exercise of one Right immediately prior to such dividend, subdivision, change, consolidation or issuance would hold immediately thereafter, including as a result of such dividend, subdivision, change, consolidation or issuance.

If, after the Record Time and prior to the Expiration Time, the Company shall issue any shares of capital stock other than Common Shares in a transaction of a type described in Subsection 2.3(a)(i) or (iv), shares of such capital stock shall be treated herein as nearly equivalent to Common Shares as may be practicable and appropriate under the circumstances and the Company and the Rights Agent agree to amend this Agreement in order to effect such treatment. If an event occurs which would require an adjustment under both this Section 2.3 and Subsection 3.1(a) hereof, the adjustment provided for in this Section 2.3 shall be in addition to and shall be made prior to any adjustment required pursuant to Subsection 3.1(a) hereof. Adjustments pursuant to this Subsection 2.3(a) shall be made successively; whenever an event referred to in this Subsection 2.3(a) occurs.

In the event the Company shall at any time after the Record Time and prior to the Separation Time issue any Common Shares otherwise than in a transaction referred to in

this Subsection 2.3(a), each such Common Share so issued shall automatically have one new Right associated with it, which Right shall be evidenced by the certificate representing such associated Common Share.

- (b) In the event the Company shall at any time after the Record Time and prior to the Separation Time fix a record date for the issuance of rights, options or warrants to all holders of Common Shares entitling them (for a period expiring within 45 calendar days after such record date) to subscribe for or purchase Common Shares (or securities convertible into or exchangeable for or carrying a right to purchase Common Shares) at a price per Common Share (or, if a security convertible into or exchangeable for or carrying a right to purchase or subscribe for Common Shares, having a conversion, exchange or exercise price, including the price required to be paid to purchase such convertible or exchangeable security or right per share) less than 90% of the Market Price per Common Share on such record date, the Exercise Price to be in effect after such record date shall be determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction:
- (i) the numerator of which shall be the number of Common Shares outstanding on such record date, plus the number of Common Shares that the aggregate offering price of the total number of Common Shares so to be offered (and/or the aggregate initial conversion, exchange or exercise price of the convertible or exchangeable securities or rights so to be offered, including the price required to be paid to purchase such convertible or exchangeable securities or rights) would purchase at such Market Price per Common Share; and
 - (ii) the denominator of which shall be the number of Common Shares outstanding on such record date, plus the number of additional Common Shares to be offered for subscription or purchase (or into which the convertible or exchangeable securities or rights so to be offered are initially convertible, exchangeable or exercisable).

In case such subscription price may be paid by delivery of consideration, part or all of which may be in a form other than cash, the value of such consideration shall be as determined in good faith by the Board of Directors, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of Rights. Such adjustment shall be made successively whenever such a record date is fixed, and in the event that such rights, options or warrants are not so issued, or if issued, are not exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed, or to the Exercise Price which would be in effect based upon the number of Common Shares (or securities convertible into, or exchangeable or exercisable for Common Shares) actually issued upon the exercise of such rights, options or warrants, as the case may be.

For purposes of this Agreement, the granting of the right to purchase Common Shares (whether from treasury or otherwise) pursuant to any Dividend Reinvestment Plan or any employee benefit, stock option or similar plans shall be deemed not to constitute an issue of rights, options or warrants by the Company; provided, however, that, in all such cases, the right to purchase Common Shares is at a price per share of not less than 90% of the current Market Price per share (determined as provided in such plans) of the Common Shares.

(c) In the event the Company shall at any time after the Record Time and prior to the Separation Time fix a record date for the making of a distribution to all holders of Common Shares (including any such distribution made in connection with a merger or amalgamation or statutory arrangement) of evidences of indebtedness, cash (other than an annual, quarterly monthly or routine cash dividend or a dividend referred to in Subsection 2.3(a)(i), but including any dividend payable in other securities of the Company other than Common Shares), assets or rights, options or warrants (excluding those referred to in Subsection 2.3(b)), the Exercise Price to be in effect after such record date shall be determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction:

- (i) the numerator of which shall be the Market Price per Common Share on such record date, less the fair market value (as determined in good faith by the Board of Directors, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of Rights), on a per share basis, of the portion of the cash, assets, evidences of indebtedness, rights, options or warrants so to be distributed; and
- (ii) the denominator of which shall be such Market Price per Common Share.

Such adjustments shall be made successively whenever such a record date is fixed, and in the event that such a distribution is not so made, the Exercise Price shall be adjusted to be the Exercise Price which would have been in effect if such record date had not been fixed.

(d) Notwithstanding anything herein to the contrary, no adjustment in the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least one per cent in the Exercise Price; provided, however, that any adjustments which by reason of this Subsection 2.3(d) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under Section 2.3 shall be made to the nearest cent or to the nearest ten-thousandth of a share. Notwithstanding the first sentence of this Subsection 2.3(d), any adjustment required by Section 2.3 shall be made no later than the earlier of:

- (i) three years from the date of the transaction this gives rise to such adjustment;
or
- (ii) the Expiration Time.

(e) In the event the Company shall at any time after the Record Time and prior to the Separation Time issue any shares of capital stock (other than Common Shares), of rights, options or warrants to subscribe for or purchase any such capital stock, in a transaction referred to in Subsection 2.3(a)(i) or (iv) above, if the Board of Directors acting in good faith determines that the adjustments contemplated by Subsection 2.3(a), (b) and (c) above in connection with such transaction will not appropriately protect the interests of the holders of Rights, the Board of Directors may determine what other adjustments to the Exercise Price, number of Rights and/or securities purchasable upon exercise of Rights would be appropriate and, notwithstanding Subsections 2.3(a), (b) and (c) above, such adjustments rather than the adjustments contemplated by Subsections 2.3(a), (b) and (c) above, shall be made. Subject to the prior consent of the holders of the Voting Shares or Rights obtained as set forth in Subsection 5.4(b) or (c), the Company and the Rights

Agent shall have authority to amend this Agreement as appropriate to provide for such adjustments.

- (f) Each Right originally issued by the Company subsequent to any adjustment made to the Exercise Price hereunder shall evidence the right to purchase, at the adjusted Exercise Price, the number of Common Shares purchasable from time to time hereunder upon exercise of a Right immediately prior to such issue, all subject to further adjustment as provided herein.
- (g) Irrespective of any adjustment or change in the Exercise Price or the number of Common Shares issuable upon the exercise of the Rights, the Rights Certificates theretofore and thereafter issued may continue to express the Exercise Price per Common Share and the number of Common Shares which were expressed in the initial Rights Certificates issued hereunder.

In any case in which this Section 2.3 shall require that an adjustment in the Exercise Price be made effective as of a record date for a specified event, the Company may elect to defer until the occurrence of such event the issuance to the holder of any Right exercised after such record date the number of Common Shares and other securities of the Company, if any, issuable upon such exercise over and above the number of Common Shares and other securities of the Company, if any, issuable upon such exercise on the basis of the Exercise Price in effect prior to such adjustment; provided, however, that the Company shall deliver to such holder an appropriate instrument evidencing such holder's right to receive such additional shares (fractional or otherwise) or other securities upon the occurrence of the event requiring such adjustment.

- (h) Notwithstanding anything contained in this Section 2.3 to the contrary, the Company shall be entitled to make such reductions in the Exercise Price, in addition to those adjustments expressly required by this Section 2.3, as and to the extent that in their good faith judgment the Board of Directors shall determine to be advisable, in order that any:
 - (i) consolidation or subdivision of Common Shares;
 - (ii) issuance (wholly or in part for cash) of Common Shares or securities that by their terms are convertible into or exchangeable for Common Shares;
 - (iii) stock dividends; or
 - (iv) issuance of rights, options or warrants referred to in this Section 2.3, hereafter made by the Company to holders of its Common Shares, shall not be taxable to such shareholders.
- (i) Whenever an adjustment to the Exercise Price or a change in the securities purchasable upon exercise of the Rights is made pursuant to this Section 2.3, the Company shall promptly and in any event, where such change or adjustment occurs prior to the Separation Time, not later than the Separation Time:
 - (i) file with the Rights Agent and with each transfer agent for the Common Shares a certificate specifying the particulars of such adjustment or change; and

- (ii) cause notice of the particulars of such adjustment or change to be given to the holders of the Rights.

Failure to file such certificate or to cause such notice to be given as aforesaid, or any defect therein, shall not affect the validity of such adjustment or change.

2.4 Date on Which Exercise Is Effective

Each Person in whose name any certificate for Common Shares or other securities, if applicable, is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of the Common Shares or other securities, if applicable, represented thereby, and such certificate shall be dated the date upon which the Rights Certificate evidencing such Rights was duly surrendered in accordance with Subsection 2.2(d) (together with a duly completed Election to Exercise) and payment of the Exercise Price for such Rights (and any applicable transfer taxes and other governmental charges payable by the exercising holder hereunder) was made; provided, however, that if the date of such surrender and payment is a date upon which the Common Share transfer books of the Company are closed, such Person shall be deemed to have become the record holder of such shares on, and such certificate shall be dated, the next succeeding Business Day on which the Common Share transfer books of the Company are open.

2.5 Execution, Authentication, Delivery and Dating of Rights Certificates

- (a) The Rights Certificates shall be executed on behalf of the Company by its Chairman of the Board, Chief Executive Officer, President, Chief Financial Officer, any Vice-President or its Corporate Secretary. The signature of any of these officers on the Rights Certificates may be manual or facsimile. Rights Certificates bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices either before or after the countersignature and delivery of such Rights Certificates.
- (b) Promptly after the Company learns of the Separation Time, the Company will notify the Rights Agent of such Separation Time and will deliver Rights Certificates executed by the Company to the Rights Agent for countersignature, and the Rights Agent shall manually countersign (in a manner satisfactory to the Company) and send such Rights Certificates to the holders of the Rights pursuant to Subsection 2.2(c) hereof. No Rights Certificate shall be valid for any purpose until countersigned by the Rights Agent as aforesaid.
- (c) Each Rights Certificate shall be dated the date of countersignature thereof.

2.6 Registration, Transfer and Exchange

- (a) The Company will cause to be kept a register (the "**Rights Register**") in which, subject to such reasonable regulations as it may prescribe, the Company will provide for the registration and transfer of Rights. The Rights Agent is hereby appointed registrar for the Rights (the "**Rights Registrar**") for the purpose of maintaining the Rights Register for the Company and registering Rights and transfers of Rights as herein provided and the Rights Agent hereby accepts such appointment. In the event that the Rights Agent shall cease to be the Rights Registrar, the Rights Agent will have the right to examine the Rights Register at all reasonable times.

After the Separation Time and prior to the Expiration Time, upon surrender for registration of transfer or exchange of any Rights Certificate, and subject to the provisions of Subsection 2.6(c), the Company will execute, and the Rights Agent will manually countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder's instructions, one or more new Rights Certificates evidencing the same aggregate number of Rights as did the Rights Certificates so surrendered.

- (b) All Rights issued upon any registration of transfer or exchange of Rights Certificates shall be the valid obligations of the Company, and such Rights shall be entitled to the same benefits under this Agreement as the Rights surrendered upon such registration of transfer or exchange.
- (c) Every Rights Certificate surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer satisfactory in form to the Company or the Rights Agent, as the case may be, duly executed by the holder thereof or such holder's attorney duly authorized in writing. As a condition to the issuance of any new Rights Certificate under this Section 2.6, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the reasonable fees and expenses of the Rights Agent) connected therewith.

2.7 Mutilated, Destroyed, Lost and Stolen Rights Certificates

- (a) If any mutilated Rights Certificate is surrendered to the Rights Agent prior to the Expiration Time, the Company shall execute and the Rights Agent shall countersign and deliver in exchange therefor a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so surrendered.
- (b) If there shall be delivered to the Company and the Rights Agent prior to the Expiration Time:
 - (i) evidence to their reasonable satisfaction of the destruction, loss or theft of any Rights Certificate; and
 - (ii) such security and indemnity as may be reasonably required by them to save each of them and any of their agents harmless;

then, in the absence of notice to the Company or the Rights Agent that such Rights Certificate has been acquired by a bona fide purchaser, the Company shall execute and upon the Company's request the Rights Agent shall countersign and deliver, in lieu of any such destroyed, lost or stolen Rights Certificate, a new Rights Certificate evidencing the same number of Rights as did the destroyed, lost or stolen Rights Certificate.

- (c) As a condition to the issuance of any new Rights Certificate under this Section 2.7, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the reasonable fees and expenses of the Rights Agent) connected therewith.
- (d) Every new Rights Certificate issued pursuant to this Section 2.7 in lieu of any destroyed, lost or stolen Rights Certificate shall evidence the contractual obligation of the Company,

whether or not the destroyed, lost or stolen Rights Certificate shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Agreement equally and proportionately with any and all other Rights duly issued hereunder.

2.8 Persons Deemed Owners of Rights

The Company, the Rights Agent and any agent of the Company or the Rights Agent may deem and treat the Person in whose name a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby for all purposes whatsoever and the Company and the Rights Agent shall not be affected by any notice or knowledge to the contrary except as required by statute or by order of a court of competent jurisdiction. As used in this Agreement, unless the context otherwise requires, the term "**holder**" of any Rights shall mean the registered holder of such Rights (or, prior to the Separation Time, of the associated Common Shares).

2.9 Delivery and Cancellation of Certificates

All Rights Certificates surrendered upon exercise or for redemption, registration of transfer or exchange shall, if surrendered to any Person other than the Rights Agent, be delivered to the Rights Agent and, in any case, shall be promptly cancelled by the Rights Agent. The Company may at any time deliver to the Rights Agent for cancellation any Rights Certificates previously countersigned and delivered hereunder which the Company may have acquired in any manner whatsoever, and all Rights Certificates so delivered shall be promptly cancelled by the Rights Agent. No Rights Certificate shall be countersigned in lieu of or in exchange for any Rights Certificates cancelled as provided in this Section 2.9, except as expressly permitted by this Agreement. The Rights Agent shall, subject to applicable laws, and its ordinary business practices, destroy all cancelled Rights Certificates and deliver a certificate of destruction to the Company.

2.10 Agreement of Rights Holders

Every holder of Rights, by accepting the same, consents and agrees with the Company and the Rights Agent and with every other holder of Rights:

- (a) to be bound by and subject to the provisions of this Agreement, as amended from time to time in accordance with the terms hereof, in respect of all Rights held;
- (b) that prior to the Separation Time, each Right will be transferable only together with, and will be transferred by a transfer of, the associated Common Share certificate representing such Right;
- (c) that after the Separation Time, the Rights Certificates will be transferable only on the Rights Register as provided herein;
- (d) that prior to due presentment of a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) for registration of transfer, the Company, the Rights Agent and any agent of the Company or the Rights Agent may deem and treat the Person in whose name the Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on such Rights Certificate or the associated Common Share certificate made by anyone other

than the Company or the Rights Agent) for all purposes whatsoever, and neither the Company nor the Rights Agent shall be affected by any notice to the contrary;

- (e) that such holder of Rights has waived his right to receive any fractional Rights or any fractional shares or other securities upon exercise of a Right (except as provided herein);
- (f) notwithstanding anything in this Agreement to the contrary, neither the Company nor the Rights Agent shall have any liability to any holder of a Right or any other Person as a result of its inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent injunction or other order, decree or ruling issued by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by any governmental authority, prohibiting or otherwise restraining performance of such obligation; and
- (g) that, subject to the provisions of Section 5.4, without the approval of any holder of Rights or Voting Shares and upon the sole authority of the Board of Directors, this Agreement may be supplemented or amended from time to time to cure any ambiguity or to correct or supplement any provision contained herein which may be inconsistent with the intent of this Agreement or is otherwise defective, as provided herein.

2.11 Holder of Rights Not Deemed a Shareholder

No holder, as such, of any Rights or Rights Certificate shall be entitled to vote, receive dividends or be deemed for any purpose whatsoever the holder of any Common Share or any other share or security of the Company which may at any time be issuable on the exercise of such Rights, nor shall anything contained herein or in any Rights Certificate be construed or deemed or confer upon the holder of any Right or Rights Certificate, as such, any right, title, benefit or privilege of a holder of Common Shares or any other shares or securities of the Company or any right to vote at any meeting of shareholders of the Company whether for the election of directors or otherwise or upon any matter submitted to holders of Common Shares or any other shares of the Company at any meeting thereof, or to give or withhold consent to any action of the Company, or to receive notice of any meeting or other action affecting any holder of Common Shares or any other shares of the Company except as expressly provided herein, or to receive dividends, distributions or subscription rights, or otherwise, until the Right or Rights evidenced by Rights Certificates shall have been duly exercised in accordance with the terms and provisions hereof.

ARTICLE 3 – ADJUSTMENTS TO THE RIGHTS IN THE EVENT OF A FLIP IN EVENT

3.1 Flip-in Event

- (a) Subject to Subsection 3.1(b) and Section 5.1, if prior to the Expiration Time a Flip-in Event occurs, each Right shall constitute, effective at the close of business on the tenth Trading Day after the Stock Acquisition Date, the right to purchase from the Company, upon exercise thereof in accordance with the terms hereof, one Common Share on the date of consummation or occurrence of such Flip-in Event for an amount in cash equal to the Exercise Price (such Right to be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 in the event that after such consummation or occurrence, an event of a type analogous to any of the events described in Section 2.3 shall have occurred).

- (b) Notwithstanding anything in this Agreement to the contrary, upon the occurrence of any Flip-in Event, any Rights that are or were Beneficially Owned on or after the earlier of the Separation Time or the Stock Acquisition Date by:
- (i) an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person); or
 - (ii) a transferee of or other successor in title or ownership to Rights (a "**transferee**"), directly or indirectly, from an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person), where such transferee becomes a transferee concurrently with or subsequent to the Acquiring Person becoming an Acquiring Person in a transfer that the Board of Directors has determined is part of a plan, arrangement or scheme of an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person), that has the purpose or effect of avoiding Subsection 3.1(b)(i),

shall become null and void without any further action, and any holder of such Rights (including transferees) shall thereafter have no right to exercise or transfer such Rights under any provision of this Agreement and further shall thereafter not have any other rights whatsoever with respect to such Rights, whether under any provision of this Agreement or otherwise. The holder of any Rights represented by a Rights Certificate which is submitted to the Rights Agent upon exercise or for registration of transfer or exchange on which the holder fails to certify upon the transfer or exchange in the place set forth in the Rights Certificate establishing that such holder is not a Person described in either Subsection 3.1(b)(i) or (ii) above shall be deemed to be Beneficially Owned by an Acquiring Person for the purposes of this Subsection 3.1(b) and such rights shall be null and void.

- (c) From and after the Separation Time, the Company shall do all such acts and things as shall be necessary and within its power to ensure compliance with the provisions of this Section 3.1, including without limitation, all such acts and things as may be required to satisfy the requirements of the Business Corporations Act, the Securities Act (British Columbia) and the securities laws or comparable legislation of each of the provinces of Canada and of the United States and each of the States thereof and any other applicable law, rule or regulation in respect of the issue of Common Shares upon the exercise of Rights in accordance with this Agreement.
- (d) Any Rights Certificate that represents Rights Beneficially Owned by a Person described in either Subsection 3.1(b)(i) or (ii) or transferred to any nominee of any such Person, and any Rights Certificate issued upon transfer, exchange, replacement or adjustment of any other Rights Certificate referred to in this sentence, shall contain the following legend:

“The Rights represented by this Rights Certificate were issued to a Person who was an Acquiring Person or an Affiliate or an Associate of an Acquiring Person (as such terms are defined in the Rights Agreement) or a Person who was acting jointly or in concert with an Acquiring Person or an Affiliate or Associate of an Acquiring Person. This Rights Certificate and the Rights

represented hereby are void or shall become void in the circumstances specified in Subsection 3.1(b) of the Rights Agreement.”

provided, however, that the Rights Agent shall not be under any responsibility to ascertain the existence of facts that would require the imposition of such legend but shall impose such legend only if instructed to do so by the Company in writing or if a holder fails to certify upon transfer or exchange in the space provided on the Rights Certificate that such holder is not a Person described in such legend. Notwithstanding the foregoing, the issuance of a Rights Certificate which does not bear the legend referred to in this Subsection 3.1(d) shall not invalidate or have any effect on the provisions of Subsection 3.1(b).

ARTICLE 4 – THE RIGHTS AGENT

4.1 General

- (a) The Company hereby appoints the Rights Agent to act as agent for the Company and the holders of the Rights in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Company may from time to time appoint such co-Rights Agents ("**Co-Rights Agents**") as it may deem necessary or desirable, subject to the approval of the Rights Agent. In the event the Company appoints one or more Co-Rights Agents, the respective duties of the Rights Agent and Co-Rights Agents shall be as the Company may determine, with the approval of the Rights Agent and the Co-Rights Agents. The Company agrees to pay all reasonable fees and expenses of the Rights Agent in respect of the performance of its duties under this Agreement. The Company also agrees to indemnify the Rights Agent, its officers, directors, and employees for, and to hold them harmless against, any loss, liability, or expense, incurred without gross negligence, bad faith or wilful misconduct on the part of the Rights Agent, for anything done or omitted by the Rights Agent in connection with the acceptance and administration of this Agreement, including the costs and expenses of defending against any claim of liability, which right to indemnification will survive the termination of this Agreement or the resignation or removal of the Rights Agent.
- (b) The Rights Agent shall be protected and shall incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Agreement in reliance upon any certificate for Common Shares, Rights Certificate, certificate for other securities of the Company, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, opinion, statement, or other paper or document believed by it in good faith to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons.
- (c) The Company shall inform the Rights Agent in a reasonably timely manner of events which may materially affect the administration of this Agreement by the Rights Agent and, at any time upon request, shall provide to the Rights Agent an incumbency certificate certifying the then current officers of the Company; provided that failure to inform the Rights Agent of any such events, or any defect therein shall not affect the validity of any action taken hereunder in relation to such events.
- (d) Notwithstanding any other provision of this Agreement, and whether such losses or damages are foreseeable or unforeseeable, the Rights Agent shall not be liable under any

circumstances whatsoever for any (i) breach by any other party of securities law or other rule of any securities regulatory authority, (ii) lost profits or (iii) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages.

- (e) Notwithstanding any other provision of this Agreement, any liability of the Rights Agent shall be limited, in the aggregate, to the amount of fees paid by the Company to the Rights Agent under this Agreement in the twelve (12) months immediately prior to the Rights Agent receiving the first notice of the claim.

4.2 Merger, Amalgamation or Consolidation or Change of Name of Rights Agent

- (a) Any corporation into which the Rights Agent may be merged or amalgamated or with which it may be consolidated, or any corporation resulting from any merger, amalgamation, statutory arrangement or consolidation to which the Rights Agent is a party, or any corporation succeeding to the shareholder or stockholder services business of the Rights Agent, will be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Rights Agent under the provisions of Section 4.4 hereof. If, at the time such successor Rights Agent succeeds to the agency created by this Agreement, any of the Rights Certificates have been countersigned but not delivered, the successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Rights Certificates so countersigned; and if, at that time, any of the Rights have not been countersigned, any successor Rights Agent may countersign such Rights Certificates in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Rights Certificates will have the full force provided in the Rights Certificates and in this Agreement.
- (b) If, at any time, the name of the Rights Agent is changed and at such time any of the Rights Certificates have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Rights Certificates so countersigned; and if, at that time, any of the Rights Certificates have not been countersigned, the Rights Agent may countersign such Rights Certificates either in its prior name or in its changed name; and in all such cases such Rights Certificates shall have the full force provided in the Rights Certificates and in this Agreement.

4.3 Duties of Rights Agent

The Rights Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, all of which the Company and the holders of Rights and Rights Certificates, by their acceptance thereof, shall be bound:

- (a) the Rights Agent, at the expense of the Company, may consult with and retain legal counsel (who may be legal counsel for the Company) and such other experts as it reasonably considers necessary to perform its duties hereunder, and the opinion of such counsel or other expert will be full and complete authorization and protection to the Rights Agent as to any action taken or omitted by it in good faith and in accordance with such opinion;
- (b) whenever in the performance of its duties under this Agreement, the Rights Agent deems it necessary or desirable that any fact or matter be proved or established by the Company

prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof is specifically prescribed herein) is deemed to be conclusively proved and established by a certificate signed by a Person believed by the Rights Agent to be the Chairman of the Board, President, Chief Executive Officer, Chief Financial Officer, any Vice-President or Corporate Secretary of the Company and delivered to the Rights Agent; and such certificate will be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate;

- (c) notwithstanding anything to the contrary, the Rights Agent will be liable hereunder for its own gross negligence, bad faith or wilful misconduct;
- (d) the Rights Agent will not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the certificates for Common Shares or the Rights Certificates (except its countersignature thereof) or be required to verify the same, but all such statements and recitals are and will be deemed to have been made by the Company only;
- (e) the Rights Agent will not have any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due authorization, execution and delivery hereof by the Rights Agent) or in respect of the validity or execution of any certificate for a Common Share or Rights Certificate (except its countersignature thereof); nor will it be responsible for any breach by the Company of any covenant or condition contained in this Agreement or in any Rights Certificate; nor will it be responsible for any change in the exerciseability of the Rights (including the Rights becoming void pursuant to Subsection 3.1(b) hereof) or any adjustment required under the provisions of Section 2.3 hereof or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights after receipt of the certificate contemplated by Section 2.3 describing any such adjustment); nor is it deemed by any act hereunder to make any representation or warranty as to the authorization of any Common Shares to be issued pursuant to this Agreement or any Rights or as to whether any Common Shares will, when issued, be duly and validly authorized, executed, issued and delivered and fully paid and non-assessable;
- (f) the Company agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement;
- (g) the Rights Agent is hereby authorized and directed to accept instructions in writing with respect to the performance of its duties hereunder from any individual believed by the Rights Agent to be the Chairman of the Board, President, Chief Executive Officer, Chief Financial Officer, any Vice-President or Corporate Secretary of the Company, and to apply to such individuals for advice or instructions in connection with its duties, and it shall not be liable for any action taken or suffered by it in good faith in accordance with instructions of any such individual;
- (h) the Rights Agent and any shareholder or stockholder, director, officer or employee of the Rights Agent may buy, sell or deal in Common Shares, Rights or other securities of the Company or become pecuniarily interested in any transaction in which the Company may

be interested, or contract with or lend money to the Company or otherwise act as fully and freely as though it were not Rights Agent under this Agreement and nothing herein shall preclude the Rights Agent from acting in any other capacity for the Company or for any other legal entity; and

- (i) the Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent will not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys or agents or for any loss to the Company resulting from any such act, default, neglect or misconduct, provided reasonable care was exercised in the selection and continued employment thereof.

4.4 Change of Rights Agent

The Rights Agent may resign and be discharged from its duties under this Agreement upon 60 days' notice (or such lesser notice as is acceptable to the Company) in writing mailed to the Company and to each transfer agent of Common Shares by registered or certified mail. The Company may remove the Rights Agent upon 30 days' notice in writing, mailed to the Rights Agent and to each transfer agent of the Common Shares by registered or certified mail. If the Rights Agent should resign or be removed or otherwise become incapable of acting, the Company will appoint a successor to the Rights Agent. If the Company fails to make such appointment within a period of 30 days after removal or 60 days after it has been notified in writing of the resignation or incapacity by the resigning or incapacitated Rights Agent, then by prior written notice to the Company the resigning Rights Agent or the holder of any Rights (which holder shall, with such notice, submit such holder's Rights Certificate, if any, for inspection by the Company), may apply to a court of competent jurisdiction for the appointment of a new Rights Agent, at the Company's expense. Any successor Rights Agent, whether appointed by the Company or by such a court, shall be a corporation incorporated under the laws of Canada or a province thereof. After appointment, the successor Rights Agent will be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent, upon receipt of all outstanding fees and expenses owing to it, shall deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Company will file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Common Shares and mail a notice thereof in writing to the holders of the Rights in accordance with Section 5.9. Failure to give any notice provided for in this Section 4.4, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of any successor Rights Agent, as the case may be.

4.5 Compliance with Money Laundering Legislation

The Rights Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Rights Agent reasonably determines that such an act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Rights Agent reasonably determine at any time that its acting under this Agreement has resulted in it being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days' written notice to the Company, provided: (i) that the Rights Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Rights Agent's satisfaction within such 10-day period, then such resignation shall not be effective.

4.6 Fiduciary Duties of the Directors

Nothing contained herein shall be construed to suggest or imply that the Board of Directors shall not be entitled to recommend that holders of the Voting Shares and/or Convertible Securities reject or accept any Take-over Bid or take any other action including the commencement, prosecution, defence or settlement of any litigation and the solicitation of additional or alternative Take-over Bids or other proposals to shareholders that the directors believe are necessary or appropriate in the exercise of their fiduciary duties.

4.7 Privacy Provision

The parties acknowledge that federal and/or provincial legislation that addresses the protection of individual's personal information (collectively, "**Privacy Laws**") applies to obligations and activities under this Agreement. Despite any other provision of this Agreement, neither party will take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Company will, prior to transferring or causing to be transferred personal information to the Rights Agent, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or will have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Rights Agent will use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws.

ARTICLE 5 - MISCELLANEOUS

5.1 Redemption and Waiver

- (a) The Board of Directors acting in good faith may, until the occurrence of a Flip-in Event, upon prior written notice delivered to the Rights Agent, waive the application of Section 3.1 to that particular Flip-in Event provided that the particular Flip-in Event would result from a Take-over Bid made by way of take-over bid circular sent to all holders of record of Voting Shares (which for greater certainty shall not include the circumstances described in Subsection 5.1(h); provided that if the Board of Directors waives the application of Section 3.1 to a particular Flip-in Event pursuant to this Subsection 5.1(a), the Board of Directors shall be deemed to have waived the application of Section 3.1 to any other Flip-in Event occurring by reason of any Take-over Bid which is made by means of a take-over bid circular to all holders of record of Voting Shares prior to the expiry of any Take-over Bid (as the same may be extended from time to time) in respect of which a waiver is, or is deemed to have been, granted under this Subsection 5.1(a).
- (b) Subject to the prior consent of the holders of the Voting Shares or the Rights as set forth in Subsection 5.4(b) or (c), as the case may be, the Board of Directors of the Company acting in good faith may, at its option, at any time prior to the provisions of Section 3.1 becoming applicable as a result of the occurrence of a Flip-in Event, elect to redeem all but not less than all of the outstanding Rights at a redemption price of \$0.00001 per Right appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 if an event of the type analogous to any of the events described in Section 2.3 shall have occurred (such redemption price being herein referred to as the "**Redemption Price**").
- (c) Where, pursuant to a Permitted Bid, a Competing Permitted Bid, an Exempt Acquisition or an acquisition for which a waiver has been granted under Subsection 5.1(a), a Person

acquires more than 50% of the outstanding Voting Shares, other than Voting Shares Beneficially Owned by such Person at the date of the Permitted Bid, the Competing Permitted Bid, the Exempt Acquisition or an acquisition for which a waiver has been granted under Subsection 5.1(a), then the Board of Directors of the Company shall, notwithstanding Subsection 5.1(b), immediately upon the consummation of such acquisition without further formality and without any approval under Subsection 5.4(b) or (c) be deemed to have elected to redeem the Rights at the Redemption Price.

- (d) Where a Take-over Bid that is not a Permitted Bid or a Competing Permitted Bid expires, is withdrawn or otherwise terminates after the Separation Time has occurred and prior to the occurrence of a Flip-in Event, the Board of Directors may elect to redeem all the outstanding Rights at the Redemption Price.
- (e) If the Board of Directors is deemed under Subsection 5.1(c) to have elected, or elects under either of Subsection 5.1(b) or (d), to redeem the Rights, the right to exercise the Rights will thereupon, without further action and without notice, terminate and the only right thereafter of the holders of Rights so redeemed shall be to receive the Redemption Price.
- (f) Within 10 days after the Board of Directors is deemed under Subsection 5.1(c) to have elected, or elects under Subsection 5.1(b) or (d), to redeem the Rights, the Company shall give notice of redemption to the holders of the then outstanding Rights by publication of a notice in any newspaper distributed nationally in Canada or by mailing such notice to each such holder at his last address as it appears upon the registry books of the Rights Agent or, prior to the Separation Time, on the registry books of the transfer agent for the Voting Shares. Any notice which is mailed in the manner provided herein shall be deemed given, whether or not the holder receives the notice. Each notice of redemption will state the method by which the payment of the Redemption Price will be made.
- (g) Upon the Rights being redeemed pursuant to Subsection 5.1(d), the directors shall be deemed to have distributed new Rights to the holders of Voting Shares as of such date and in respect of each additional Voting Share issued thereafter, on the same basis as Rights were first distributed hereunder and thereafter all the provisions of this Agreement shall continue to apply to such redistributed Rights as if the Separation Time referred to in Section 5.1(d) had not occurred and which for all purposes of this Agreement shall be deemed not to have occurred and the new Rights shall be outstanding and attached to the outstanding Common Shares as of and after such date, subject to and in accordance with the provisions of this Agreement.
- (h) The Board of Directors may waive the application of Section 3.1 in respect of the occurrence of any Flip-in Event if the Board of Directors has determined within ten Trading Days following a Stock Acquisition Date that a Person became an Acquiring Person by inadvertence and without any intention to become, or knowledge that it would become, an Acquiring Person under this Agreement and, in the event that such a waiver is granted by the Board of Directors, such Stock Acquisition Date shall be deemed not to have occurred. Any such waiver pursuant to this Subsection 5.1(h) must be on the condition that such Person, within 14 days after the foregoing determination by the Board of Directors or such earlier or later date as the Board of Directors may determine (the "**Disposition Date**"), has reduced its Beneficial Ownership of Voting Shares so that the Person is no longer an Acquiring Person. If the Person remains an Acquiring Person at the close of business on the Disposition Date, the Disposition Date shall be deemed to be the date of occurrence of a further Stock Acquisition Date and Section 3.1 shall apply thereto.
- (i) The Company shall give prompt written notice to the Rights Agent of any waiver of the application of Section 3.1 made by the Board of Directors under this Section 5.1.
- (j) Until the occurrence of a Flip-in Event as to which the application of Section 3.1 has not been waived pursuant to this section, upon written notice to the Rights Agent, the Board

of Directors, with the prior consent of the holders of Voting Shares given in accordance with Subsection 5.4(b), may determine, if such Flip-in Event would occur by reason of an acquisition of Voting Shares otherwise than pursuant to a Take-over Bid made by means of a take-over bid circular to all holders of Voting Shares and otherwise than in the circumstances set forth in Subsection 5.1(h), to waive the application of Section 3.1 to such Flip-in Event. If the Board of Directors proposes such a waiver, the Board of Directors will extend the Separation Time to a date subsequent to and not more than ten Business Days following the meeting of shareholders called to approve such waiver.

5.2 Expiration

No Person shall have any rights whatsoever pursuant to this Agreement or in respect of any Right after the Expiration Time, except the Rights Agent as specified in Subsection 4.1 of this Agreement.

5.3 Issuance of New Rights Certificates

Notwithstanding any of the provisions of this Agreement or the Rights to the contrary, the Company may, at its option, issue new Rights Certificates evidencing Rights in such form as may be approved by the Board of Directors to reflect any adjustment or change in the number or kind or class of securities purchasable upon exercise of Rights made in accordance with the provisions of this Agreement.

5.4 Supplements and Amendments

- (a) The Company may at any time, by resolution of the Board of Directors, supplement or make amendments to this Agreement to correct any clerical or typographical error or, subject to Subsection 5.4(e), which supplements or amendments are required to maintain the validity of this Agreement as a result of any change in any applicable legislation, rules or regulations thereunder or policies of securities regulatory authorities or stock exchanges. The Company may, by resolution of the Board of Directors, prior to the date of its shareholders' meeting referred to in Section 5.15, supplement or amend this Agreement without the approval of any holders of Rights or Voting Shares (whether or not such action would adversely affect the interest of the holders of Rights or Voting Shares generally) in order to make any changes which the Board of Directors acting in good faith may deem necessary or desirable. Notwithstanding anything in this Section 5.4 to the contrary, no such supplement or amendment shall be made to the provisions of Article 4 except with the written concurrence of the Rights Agent to such supplement or amendment.
- (b) Subject to Subsection 5.4(a), the Company may, with the prior consent of the holders of Voting Shares obtained as set forth below, at any time before the Separation Time, amend, vary or rescind any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally). Such consent shall be deemed to have been given if provided by the holders of Voting Shares at a Special Meeting, which Special Meeting shall be called and held in compliance with applicable laws and regulatory requirements and the requirements in the articles of the Company. Subject to compliance with any requirements imposed by the foregoing, consent shall be given if the proposed amendment, variation or rescission is approved by the affirmative vote of a majority of the votes cast by Independent Shareholders present or represented in person or by proxy at and entitled to be voted at the Special Meeting.

- (c) The Company may, with the prior consent of the holders of Rights obtained as set forth below, at any time after the Separation Time and before the Expiration Time, amend, vary or rescind any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally), provided that no such amendment, variation or deletion shall be made to the provisions of Article 4 except with the written concurrence of the Rights Agent thereto. Such consent shall be deemed to have been given if provided by the holders of Rights at a Rights Holders' Special Meeting, which Rights Holders' Special Meeting shall be called and held in compliance with applicable laws and regulatory requirements and, to the extent possible, with the requirements in the articles of the Company applicable to meetings of holders of Voting Shares, applied mutatis mutandis. Subject to compliance with any requirements imposed by the foregoing, consent shall be given if the proposed amendment, variation or rescission is approved by the affirmative vote of a majority of the votes cast by holders of Rights (other than holders of Rights whose Rights have become null and void pursuant to Subsection 3.1(b)), represented in person or by proxy at and entitled to be voted at the Rights Holders' Special Meeting.
- (d) Any approval of the holders of Rights shall be deemed to have been given if the action requiring such approval is authorized by the affirmative votes of the holders of Rights present or represented at and entitled to be voted at a meeting of the holders of Rights and representing a majority of the votes cast in respect thereof. For the purposes hereof, each outstanding Right (other than Rights which are void pursuant to the provisions hereof) shall be entitled to one vote, and the procedures for the calling, holding and conduct of the meeting shall be those, as nearly as may be, which are provided in the Company's articles and the Business Corporations Act with respect to meetings of shareholders of the Company.
- (e) Any amendments to a shareholder rights plan must be filed with the Exchange. The Exchange reserves the right to review and assess the proposed amendments and the Exchange may require the Issuer to obtain Shareholder approval before implementing such amendment.
- (f) Any supplements or amendments made by the Company to this Agreement pursuant to Subsection 5.4(a) which are required to maintain the validity of this Agreement as a result of any change in any applicable legislation, rule or regulation thereunder or policies of any securities regulatory authority or stock exchange shall:
- (i) if made before the Separation Time, be submitted to the shareholders of the Company at the next meeting of shareholders and the shareholders may, by the majority referred to in Subsection 5.4(b), confirm or reject such amendment;
 - (ii) if made after the Separation Time, be submitted to the holders of Rights at a meeting to be called for on a date not later than immediately following the next meeting of shareholders of the Company called after the Separation Time and the holders of Rights may, by resolution passed by the majority referred to in Subsection 5.4(d), confirm or reject such amendment.

Any such amendment shall be effective from the date of the resolution of the Board of Directors adopting such amendment, until it is confirmed or rejected or until it ceases to be effective (as described in the next sentence) and, where such amendment is confirmed, it continues in effect in the form so confirmed. If such amendment is rejected by the shareholders or the holders of Rights or is not submitted to the shareholders or holders of Rights as required, then such amendment shall cease to be effective from and after the termination of the meeting at which it was rejected or to which it should have been but was not submitted or from and after the date of the meeting of holders of Rights that should have been but was not

held, and no subsequent resolution of the Board of Directors to amend this Agreement to substantially the same effect shall be effective until confirmed by the shareholders or holders of Rights referred to in Subsection 5.4(b) or 5.4(c), as the case may be.

- (g) The Company shall provide the Rights Agent with notice in writing of any amendment, variation or deletion to this Agreement as referred to in this Section 5.4 within 5 Business Days of effecting such amendment, variation or deletion.

5.5 Fractional Rights and Fractional Shares

- (a) The Company shall not be required to issue fractions of Rights or to distribute Rights Certificates which evidence fractional Rights. After the Separation Time, in lieu of issuing fractional Rights, the Company shall pay to the holders of record of the Rights Certificates (provided the Rights represented by such Rights Certificates are not void pursuant to the provisions of Subsection 3.1(b), at the time such fractional Rights would otherwise be issuable), an amount in cash equal to the fraction of the Market Price of one whole Right that the fraction of a Right that would otherwise be issuable is of one whole Right, provided that the Company shall not be required or obligated to make any payment provided for above unless the amount payable by the Company to a certain holder exceeds \$10.
- (b) The Company shall not be required to issue fractions of Common Shares upon exercise of Rights or to distribute certificates which evidence fractional Common Shares. In lieu of issuing fractional Common Shares, the Company shall pay to the registered holders of Rights Certificates, at the time such Rights are exercised as herein provided, an amount in cash equal to the fraction of the Market Price of one Common Share that the fraction of a Common Share that would otherwise be issuable upon the exercise of such Right is of one whole Common Share at the date of such exercise.
- (c) The Rights Agent shall have no obligation to make any payments in lieu of issuing fractions of Rights or Common Shares pursuant to Subsection 5.5(a) or (b), respectively, unless and until the Company shall have provided to the Rights Agent the amount of cash to be paid in lieu of issuing such fractional Rights or Common Shares, as the case may be.

5.6 Rights of Action

Subject to the terms of this Agreement, all rights of action in respect of this Agreement, other than rights of action vested solely in the Rights Agent, are vested in the respective holders of the Rights. Any holder of Rights, without the consent of the Rights Agent or of the holder of any other Rights, may, on such holder's own behalf and for such holder's own benefit and the benefit of other holders of Rights, enforce, and may institute and maintain any suit, action or proceeding against the Company to enforce such holder's right to exercise such holder's Rights, or Rights to which such holder is entitled, in the manner provided in such holder's Rights Certificate and in this Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations of the obligations of any Person subject to, this Agreement.

5.7 Regulatory Approvals

Any obligation of the Company or action or event contemplated by this Agreement shall be subject to the receipt of requisite approval or consent from any governmental or regulatory authority having jurisdiction, and without limiting the generality of the foregoing, while any securities of the Company are listed and admitted for trading thereon, necessary approvals of the TSX Venture Exchange and other exchanges shall be obtained, in relation to the issuance of the Common Shares upon the exercise of Rights under Subsection 2.2(d).

5.8 Non-Canadian Holders

If in the opinion of the Board of Directors (who may rely upon the advice of counsel) any action or event contemplated by this Agreement would require compliance by the Company with the securities laws or comparable legislation of a jurisdiction outside Canada, the Board of Directors acting in good faith shall take such actions as it may consider appropriate to ensure such compliance or avoid the application thereof. In no event shall the Company or the Rights Agent be required to issue or deliver Rights or securities issuable on exercise of Rights to persons who are citizens, residents or nationals of any jurisdiction other than Canada, in which such issue or delivery would be unlawful without registration of the relevant Persons or securities for such purposes.

5.9 Notices

- (a) Notices or demands authorized or required by this Agreement to be given or made by the Rights Agent or by the holder of any Rights to or on the Company shall be sufficiently given or made if delivered, sent by registered or certified mail, postage prepaid (until another address is filed in writing with the Rights Agent), or sent by facsimile or other form of recorded electronic communication, charges prepaid and confirmed in writing, as follows:

Baru Gold Corp.
1021 West Hastings Street
9th Floor
Vancouver, B.C.
V5E 0C3
Attention: Karen Dyczkowski
Fax No. (888) 371-5832

- (b) Notices or demands authorized or required by this Agreement to be given or made by the Company or by the holder of any Rights to or on the Rights Agent shall be sufficiently given or made if delivered, sent by registered or certified mail, postage prepaid (until another address is filed in writing with the Company), or sent by facsimile or other form of recorded electronic communication, charges prepaid and confirmed in writing, as follows:

Computershare Trust Company of Canada
510 Burrard Street, 2nd Floor
Vancouver BC V6C 3B9

Attention: Manager, Client Services
Fax No.: (604) 661-9401

- (c) Except as otherwise provided hereunder, notices or demands authorized or required by this Agreement to be given or made by the Company or the Rights Agent to or on the holder of any Rights shall be sufficiently given or made if delivered or sent by registered or certified mail, postage prepaid, addressed to such holder at the address of such holder as it appears upon the register of the Rights Agent or, prior to the Separation Time, on the register of the Company for its Common Shares. Any notice which is mailed or sent in the manner herein provided shall be deemed given, whether or not the holder receives the notice.
- (d) Any notice given or made in accordance with this Section 5.9 shall be deemed to have been given and to have been received on the day of delivery, if so delivered, on the third Business Day (excluding each day during which there exists any general interruption of postal service due to strike, lockout or other cause) following the mailing thereof, if so mailed, and on the day of telecopying or sending of the same by other means of recorded electronic communication (provided such sending is during the normal business hours of the addressee on a Business Day and if not, on the first Business Day thereafter). Each of the Company and the Rights Agent may from time to time change its address for notice by notice to the other given in the manner aforesaid.

5.10 Costs of Enforcement

The Company agrees that if the Company fails to fulfil any of its obligations pursuant to this Agreement, then the Company will reimburse the holder of any Rights for the costs and expenses (including legal fees) reasonably incurred by such holder to enforce his rights pursuant to any Rights or this Agreement.

5.11 Successors

All the covenants and provisions of this Agreement by or for the benefit of the Company or the Rights Agent shall bind and enure to the benefit of their respective successors and assigns hereunder.

5.12 Benefits of this Agreement

Nothing in this Agreement shall be construed to give to any Person other than the Company, the Rights Agent and the holders of the Rights any legal or equitable right, remedy or claim under this Agreement; further, this Agreement shall be for the sole and exclusive benefit of the Company, the Rights Agent and the holders of the Rights.

5.13 Governing Law

This Agreement and each Right issued hereunder shall be deemed to be a contract made under the laws of the Province of British Columbia and for all purposes shall be governed by and construed in accordance with the laws of such Province applicable to contracts to be made and performed entirely within such Province.

5.14 Severability

If any term or provision hereof or the application thereof to any circumstance shall, in any jurisdiction and to any extent, be invalid or unenforceable, such term or provision shall be ineffective only as to such jurisdiction and to the extent of such invalidity or unenforceability in such jurisdiction without invalidating or rendering unenforceable or ineffective the remaining terms and provisions hereof in such

Jurisdiction or the application of such term or provision in any other jurisdiction or to circumstances other than those as to which it is specifically held invalid or unenforceable.

5.15 Effective Date and Confirmation

This Agreement is effective and in full force and effect in accordance with its terms from and after the date hereof. At the first annual or special meeting of holders of Voting Shares following the date hereof, the Company shall request confirmation of this Agreement by the holders of its Voting Shares. If this Agreement is not confirmed by resolution passed by a majority of the votes cast by holders of Voting Shares of the Company who vote in respect of confirmation of this Agreement at a meeting of the Company's shareholders to be held on or prior to **December 31, 2023**, then this Agreement and all outstanding Rights shall terminate and be void and of no further force and effect on and from that date which is the earlier of (a) the date of termination of the meeting called to consider the confirmation of this Agreement under this Section 5.15 and (b) **December 31, 2023**.

5.16 Reconfirmation

This Agreement must be reconfirmed by a resolution passed by a majority of the votes cast by all holders of Voting Shares who vote in respect of such reconfirmation at the annual meeting of the Company held in **2023** and at every third annual meeting of the Company thereafter at which this Agreement has been reconfirmed pursuant to this Section 5.16. If this Agreement is not so reconfirmed or is not presented for reconfirmation at any such annual meeting, this Agreement and all outstanding Rights shall terminate and be void and of no further force and effect on and from the date of termination of any such annual meeting; provided, however, that termination shall not occur if a Flip-in Event has occurred (other than a Flip-in Event which has been waived pursuant to Subsection 5.1(a) or (h) hereof), prior to the date upon which this Agreement would otherwise terminate pursuant to this Section 5.16.

5.17 Determinations and Actions by the Board of Directors

All actions, calculations and determinations (including all omissions with respect to the foregoing) which are done or made by the Board of Directors, in good faith, for the purposes hereof shall not subject the Board of Directors or any director of the Company to any liability to the holders of the Rights.

5.18 Force Majeure

No party shall be liable to the other, or held in breach of this Agreement, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Agreement shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section.

5.19 Time of the Essence.

Time shall be of the essence in this Agreement.

Execution in Counterparts

This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BARU GOLD CORP.

Per: “Terry Filbert”
Authorized Signatory

Per: “Karen Dyczkowski”
Authorized Signatory

**COMPUTERSHARE TRUST COMPANY OF
CANADA**

Per: “Christian Carvacho”
Authorized Signatory

Per: “Ellis Amabel”
Authorized Signatory

ATTACHMENT 1

BARU GOLD CORP.

SHAREHOLDER RIGHTS PLAN AGREEMENT

[Form of Rights Certificate]

Certificate No.

Rights

THE RIGHTS ARE SUBJECT TO TERMINATION ON THE TERMS SET FORTH IN THE SHAREHOLDER RIGHTS PLAN AGREEMENT. UNDER CERTAIN CIRCUMSTANCES (SPECIFIED IN SUBSECTION 3.1(b) OF THE SHAREHOLDER RIGHTS PLAN AGREEMENT), RIGHTS BENEFICIALLY OWNED BY AN ACQUIRING PERSON OR CERTAIN RELATED PARTIES, OR TRANSFEREES OF AN ACQUIRING PERSON OR CERTAIN RELATED PARTIES AND THEIR TRANSFEREES, MAY BECOME VOID WITHOUT FURTHER ACTION.

Rights Certificate

This certifies that _____, or registered assigns, is the registered holder of the number of Rights set forth above, each of which entitles the registered holder thereof, subject to the terms, provisions and conditions of the Shareholder Rights Plan Agreement, dated as of **July 20, 2023** (the "**Shareholder Rights Agreement**"), between **Baru Gold Corp.** (the "**Company**"), a corporation duly incorporated under the British Columbia Business Corporations Act, and **Computershare Trust Company of Canada**, a company incorporated under the laws of Canada (the "**Rights Agent**") (which term shall include any successor Rights Agent under the Shareholder Rights Agreement), to purchase from the Company at any time after the Separation Time (as such term is defined in the Shareholder Rights Agreement) and prior to the Expiration Time (as such term is defined in the Shareholder Rights Agreement), one fully paid common share of the Company (a "**Common Share**") at the Exercise Price referred to below, upon presentation and surrender of this Rights Certificate with the Form of Election to Exercise (in the form provided hereinafter) duly executed and submitted to the Rights Agent at its principal office in the City of Vancouver, Canada. Until adjustment thereof in certain events as provided in the Shareholder Rights Agreement, the Exercise Price shall be an amount equal to **fifty percent (50%)** of the Market Price (as such term is defined in the Rights Plan Agreement) per Common Share determined as at the Separation Time and shall be subject to adjustment in certain events as provided in the Shareholder Rights Agreement.

In certain circumstances described in the Rights Agreement, the number of Common Shares which each Right entitles the registered holder thereof to purchase shall be adjusted as provided in the Shareholder Rights Agreement.

This Rights Certificate is subject to all of the terms and provisions of the Shareholder Rights Agreement, which terms and provisions are incorporated herein by reference and made a part hereof and to which Shareholder Rights Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Rights Agent, the Company and the holders of the Rights. Copies of the Shareholder Rights Agreement are on file at the registered office of the Company.

This Rights Certificate, with or without other Rights Certificates, upon surrender at any of the offices of the Rights Agent designated for such purpose, may be exchanged for another Rights Certificate

or Rights Certificates of like tenor and date evidencing an aggregate number of Rights equal to the aggregate number of Rights evidenced by the Rights Certificate or Rights Certificates surrendered. If this Rights Certificate shall be exercised in part, the registered holder shall be entitled to receive, upon surrender hereof, another Rights Certificate or Rights Certificates for the number of whole Rights not exercised.

Subject to the provisions of the Shareholder Rights Agreement, the Rights evidenced by this Certificate may be redeemed by the Company at a redemption price of \$0.00001 per Right, subject to adjustment in certain events, under certain circumstances at its option.

No fractional Common Shares will be issued upon the exercise of any Rights evidenced hereby, but in lieu thereof a cash payment will be made, as provided in the Shareholder Rights Agreement.

No holder of this Rights Certificate, as such, shall be entitled to vote or receive dividends or be deemed for any purpose the holder of Common Shares or of any other securities which may at any time be issuable upon the exercise hereof, nor shall anything contained in the Shareholder Rights Agreement or herein be construed to confer upon the holder hereof, as such, any of the rights of a shareholder of the Company or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting shareholders (except as provided in the Shareholder Rights Agreement), or to receive dividends or subscription rights, or otherwise, until the Rights evidenced by this Rights Certificate shall have been exercised as provided in the Shareholder Rights Agreement.

This Rights Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Rights Agent.

WITNESS the facsimile signature of the proper officers of the Company and its corporate seal.

Date: _____

BARU GOLD CORP.

Per: _____
Authorized Signatory

Countersigned:

COMPUTERSHARE TRUST COMPANY OF CANADA

Per: _____
Authorized Signatory

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the Rights evidenced by this Rights Certificate.)

FOR VALUE RECEIVED _____ hereby sells, assign and transfers unto _____

(Please print name and address of transferee.)

the Rights represented by this Rights Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint _____, as attorney, to transfer the within Rights on the books of the Company, with full power of substitution.

Dated: _____

Signature Guaranteed:

Signature

(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

Signature must be guaranteed by a Canadian Schedule 1 chartered bank or an eligible guarantor institution with membership in an approved signature medallion guarantee program.

CERTIFICATE

(To be completed if true.)

The undersigned party transferring Rights hereunder, hereby represents, for the benefit of all holders of Rights and Common Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or a Person acting jointly or in concert with an Acquiring Person or an Affiliate or Associate thereof. Capitalized terms shall have the meaning ascribed thereto in the Shareholder Rights Plan Agreement of **BARU GOLD CORP.**

Signature

(To be attached to each Rights Certificate)

FORM OF ELECTION TO EXERCISE

(To be executed by the registered holder if such holder desires to exercise the Rights Certificate.)

TO: **BARU GOLD CORP.**
AND TO: **COMPUTERSHARE TRUST COMPANY OF CANADA**

The undersigned hereby irrevocably elects to exercise _____ whole Rights represented by the attached Rights Certificate to purchase the Common Shares or other securities, if applicable, issuable upon the exercise of such Rights and requests that certificates for such securities be issued in the name of:

(Name)

(Address)

(City, Province and Postal Code)

(Social Insurance Number or other taxpayer identification number)

If such number of Rights shall not be all the Rights evidenced by this Rights Certificate, a new Rights Certificate for the balance of such Rights shall be registered in the name of and delivered to:

(Name)

(Address)

(City, Province and Postal Code)

(Social Insurance Number or other taxpayer identification number)

Dated: _____

Signature Guaranteed:

Signature

(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

Signature must be guaranteed by a Canadian Schedule 1 chartered bank or an eligible guarantor institution with membership in an approved signature medallion guarantee program.

CERTIFICATE

(To be completed if true.)

The undersigned party exercising Rights hereunder, hereby represents, for the benefit of all holders of Rights and Common Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or a Person acting jointly or in concert with an Acquiring Person or an Affiliate or Associate thereof. Capitalized terms shall have the meaning ascribed thereto in the Shareholder Rights Plan Agreement of **BARU GOLD CORP.**

Signature

(To be attached to each Rights Certificate)

NOTICE

In the event the certification set forth above in the Form of Assignment and Form of Election to Exercise, as applicable, is not completed, the Company will deem the Beneficial Owner of the Rights evidenced by this Rights Certificate to be an Acquiring Person or an Affiliate or Associate thereof. No Rights Certificates shall be issued in exchange for a Rights Certificate owned or deemed to have been owned by an Acquiring Person or an Affiliate or Associate thereof, or by a Person acting jointly or in concert with an Acquiring Person or an Affiliate or Associate thereof.