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## MANAGEMENT INFORMATION CIRCULAR AS AT SEPTEMBER 5, 2023

**This Management Information Circular (“Information Circular”) is furnished in connection with the solicitation of proxies by management of Japan Gold Corp. for use at the annual general meeting (the “Meeting”) of shareholders of Japan Gold Corp. (the “Shareholders”) to be held on October 12, 2023 and any adjournment or postponement thereof, for the purposes set forth in the attached Notice of Annual General Meeting. Except where otherwise indicated, the information contained herein is stated as of September 5, 2023.**

In this Information Circular, references to the “Company” and “we” refer to Japan Gold Corp. “Common Shares” means common shares without par value in the capital of the Company. “Registered Shareholders” means Shareholders whose names appear on the records of the Company as the registered holders of Common Shares. “Non-Registered Shareholders” means Shareholders who do not hold Common Shares in their own name. “Intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Non-Registered 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. The Company will bear all costs of this solicitation. We have arranged to send meeting materials directly to Registered Shareholders, as well as Non-Registered Shareholders who have consented to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (non-objecting beneficial owners). We have not arranged for Intermediaries to forward the meeting materials to Non-Registered Shareholders who have objected to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (objecting beneficial owners). As a result, objecting beneficial owners will not receive the Information Circular and associated meeting materials unless their Intermediary assumes the costs of delivery.

#### Appointment and Revocation of Proxies

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

If you are a Registered Shareholder you may wish to vote by proxy whether or not you are able to attend the Meeting. Registered Shareholders electing to submit a proxy may do so by completing, dating and signing the enclosed Proxy and returning it to the Computershare, in accordance with the instructions on the Proxy. Alternatively, Registered Shareholders may vote their shares via the internet or by telephone as per the instructions provided on the Proxy.

**In all cases you should ensure that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment or postponement thereof at which the Proxy is to be used.**

Every Proxy may be revoked by an instrument in writing:

- (i) executed by the Shareholder or by his/her attorney authorized in writing or, where the Shareholder is a company, by a duly authorized officer or attorney of the company; and

- (ii) delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof, at which the Proxy is to be used, or to the chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof,

or in any other manner provided by law.

**Only Registered Shareholders have the right to revoke a Proxy. Non-Registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf.** If you are a Non-Registered Shareholder, see “Voting by Non-Registered Shareholders” below for further information on how to vote your Common Shares.

### **Exercise of Discretion by Proxyholder**

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

- (i) each matter or group of matters identified therein for which a choice is not specified;
- (ii) any amendment to or variation of any matter identified therein;
- (iii) any other matter that properly comes before the Meeting; and
- (iv) exercise of discretion of the Proxyholder.

**In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.** Management is not currently aware of any other matters that could come before the Meeting.

### **Voting by Non-Registered Shareholders**

The following information is of significant importance to Shareholders who do not hold Common Shares in their own name. Non-Registered Shareholders should note that the only Proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders.

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

If you have consented to disclosure of your ownership information, you will receive a request for voting instructions from the Company (through Computershare). If you have declined to disclose your ownership information, you may receive a request for voting instructions from your Intermediary if they have assumed the cost of delivering the Information Circular and associated meeting materials. Every Intermediary has its own mailing procedures and provides its own return instructions to clients. However, most Intermediaries now delegate responsibility for obtaining voting instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in the United States and in Canada.

If you are a Non-Registered Shareholder, you should carefully follow the instructions on the VIF received from Computershare or Broadridge in order to ensure that your Common Shares are voted at the Meeting. The VIF supplied to you will be similar to the Proxy provided to the Registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote on your behalf.

The VIF sent by Computershare or Broadridge will name the same persons as the Company’s proxy to represent you at the Meeting. **Although as a Non-Registered Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your Intermediary, you, or a person designated by you (who need not be a Shareholder), may attend at the Meeting as Proxyholder for your Intermediary and vote your Common Shares in that capacity.** To exercise this right to attend the Meeting or appoint a Proxyholder of your own choosing, you should insert your own name or the name of the desired representative in the blank space provided in the VIF. Alternatively, you may provide other written instructions requesting that you or your desired representative attend the Meeting as Proxyholder for your Intermediary. The completed VIF or other written instructions must then be returned in accordance with the instructions on the form.

**If you receive a VIF from Computershare or Broadridge, you cannot use it to vote Common Shares directly at the Meeting. The VIF must be completed as described above and returned in accordance with its instructions well in advance of the Meeting in order to have the Common Shares voted.**

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

No person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of directors. For the purpose of this paragraph, “person” shall include each person: (a) who has been a director, senior officer or insider of the Company at any time since the commencement of the Company’s last fiscal year; (b) who is a proposed nominee for election as a director of the Company; or (c) who is an associate or affiliate of a person as defined in (a) or (b).

#### RECORD DATE AND QUORUM

The board of directors of the Company (the “**Board**”) has fixed the record date for the Meeting as the close of business on September 5, 2023 (the “**Record Date**”). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote their Common Shares at the Meeting, except to the extent that any such Shareholder transfers any Common Shares after the Record Date and the transferee of those Common Shares establishes that the transferee owns the Common Shares and demands, not less than ten (10) days before the Meeting, that the transferee’s name be included in the list of Shareholders entitled to vote at the Meeting, in which case, only such transferee shall be entitled to vote such Common Shares at the Meeting.

Under the Articles of the Company, the quorum for the transaction of business at a meeting of Shareholders is one person who is a shareholder, or who is otherwise permitted to vote shares of the Company at a meeting of shareholders pursuant to the Company’s articles, present in person or by proxy.

#### VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

On the Record Date there were 256,515,479 Common Shares issued and outstanding, with each share carrying the right to one vote. Only Shareholders of record at the close of business on the Record Date will be entitled to vote by proxy at the Meeting or any adjournment or postponement thereof.

To the knowledge of the directors and executive officers of the Company, as of the date of this Information Circular, the Shareholder who beneficially owns, or exercises control or direction, directly or indirectly, Common Shares carrying 10% or more of the votes attached to Common Shares is:

Name	Number of Common Shares Owned, or Controlled or Directed, Directly or Indirectly <sup>(1)</sup>	Approximate Percentage of Total Outstanding Common Shares
Equinox Partners Investment Management, LLC	50,612,280	19.73%

**Note:**

- (1) The above information was reported to the Company by the Shareholder.

## PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Company's directors, the only matters to be placed before the Meeting are those set forth in the accompanying Notice of Meeting and discussed below.

### Presentation of Financial Statements

The audited consolidated financial statements of the Company for the financial year ended December 31, 2022, together with the auditor's report thereon, will be placed before the Meeting. The Company's financial statements are available on [www.sedarplus.com](http://www.sedarplus.com).

### Election of Directors

The Company proposes to fix the number of directors of the Company at seven and to nominate the persons listed below for election as directors. Each director will hold office until the next annual general meeting of the Company or until his or her successor is elected or appointed, unless his or her office is earlier vacated. Management does not contemplate that any of the nominees will be unable to serve as a director. If, prior to the Meeting, any vacancies occur in the slate of nominees herein listed, it is intended that discretionary authority shall be exercised by the person named in the Proxy as nominee to vote the Common Shares represented by Proxy for the election of any other person or persons as directors.

The following table sets out the names of the director nominees, their positions and offices in the Company, their principal occupations, the period of time that they have been directors of the Company, and the number of Common Shares that each beneficially owns or over which the nominee exercises control or direction.

Name, Residence and Present Position within the Company	Director Since	Number of Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Discretion is Exercised <sup>(1)</sup>	Principal Occupation <sup>(1)</sup>
<b>John Proust</b> British Columbia, Canada <i>Chief Executive Officer, Chairman and Director</i>	September 15, 2016	8,362,387 <sup>(5)</sup>	Mr. Proust is an independent businessman and President of J. Proust & Associates Inc., through which Mr. Proust is the founder of numerous public and private companies.
<b>Paul Harbidge<sup>(2)(4)</sup></b> British Columbia, Canada <i>Director</i>	November 17, 2020	Nil	Mr. Harbidge is a geologist with over 26 years of experience in mining exploration and development with a proven track record of discovering world class gold deposits. Mr. Harbidge is currently President, CEO and a director of Faraday Copper Corp.
<b>Murray Flanigan<sup>(2)(3)</sup></b> British Columbia, Canada <i>Lead Director</i>	January 24, 2019	100,000 <sup>(6)</sup>	Mr. Flanigan is a Chartered Professional Accountant and a Chartered Financial Analyst with expertise in corporate finance, mergers and acquisitions, international taxation, risk management, banking, treasury, corporate restructuring and accounting, and has served as Chief Financial Officer for various public and private companies.

Name, Residence and Present Position within the Company	Director Since	Number of Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Discretion is Exercised <sup>(1)</sup>	Principal Occupation <sup>(1)</sup>
<b>Ian Burney</b> <sup>(4)</sup> Ontario, Canada <i>Director</i>	October 21, 2021	100,000	Mr. Burney is an accomplished, high-performing public service executive and diplomat with over 30 years of experience in international affairs, particularly in the area of global economic issues. Mr. Burney was the Ambassador of Canada to Japan from 2016 to 2021. He currently serves as Senior Advisor at Paradigm Capital Inc., and as Senior Advisor at the ASEAN China Investment Fund (ACIF) V GP.
<b>Michael Carrick</b> <sup>(2)(3)</sup> Perth, Western Australia <i>Director</i>	October 21, 2021	Nil	Mr. Carrick is a Chartered Accountant with over 30 years of experience in the resources sector. Mr. Carrick is currently Chairman of RTG Mining Inc. since 2013 and has been responsible for the development of seven major gold mines in five countries around the world.
<b>Tanneke Heersche</b> <sup>(3)(4)</sup> Ontario, Canada <i>Director</i>	October 21, 2021	Nil	Ms. Heersche is a highly regarded expert and strategic advisor in the natural resources industry with over 25 years of international industry experience. From 2010 through to 2023, Ms. Heersche was a senior partner at Fasken Martineau DuMoulin LLP and was the head of the firm-wide ESG Steering Committee. Prior to Fasken, Ms. Heersche was a partner at White & Case LLP where she was co-Chair of the Global Metals & Mining Practice Group and executive managing partner of its Johannesburg office
<b>Takashi Kuriyama</b> Chiba, Japan <i>Director and GM Exploration</i>	January 1, 2023	Nil	Mr. Kuriyama is a geology graduate of the Mining and Geology Department of Akita University. Mr. Kuriyama previously served in senior roles with Sumitomo Metal Mining Co., Ltd. from 1974 until his retirement as General Manager of its Global Exploration and Development Department in 2016. Mr. Kuriyama also served as a Director of Teck Resources Limited from 2006 until 2016.

**Notes:**

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of management of the Company and has been furnished by the respective nominees. Unless otherwise stated above, any nominees named above have held the principal occupation or employment indicated for at least the five preceding years.
- (2) Member of the audit committee of the Company.
- (3) Member of the compensation committee of the Company.
- (4) Member of the nomination and corporate governance committee of the Company.
- (5) Includes 3,526,096 Common Shares controlled indirectly through Gwen Proust 2018 Alter Ego Trust, 3,690,000 Common Shares owned indirectly through J. Proust & Associates, 394,533 Common Shares controlled indirectly through Portland Management, and 751,758 Common Shares owned directly by Mr. Proust through his RRSP and TFSA accounts.
- (6) 100,000 Common Shares are owned indirectly through GR7 Holdings Inc.

To the knowledge of the Company, no proposed director of the Company is, or has been, within the 10 years prior to the date of this Information Circular, a director or executive officer of any company that:

- (a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued while that person was acting in that capacity;
- (b) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued after the proposed director ceased to act in that capacity, and which resulted from an event that occurred while that person was acting in that capacity; or
- (c) 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.

No proposed director of the Company is, or has been, within the 10 years prior to 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.

No proposed director of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or has been subject to 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.

#### **Appointment of Auditor**

Management is recommending that Shareholders vote to appoint KPMG LLP of 777 Dunsmuir Street, Vancouver, British Columbia, as auditors of the Company until the next annual meeting of Shareholders and to authorize the directors to fix the remuneration to be paid to the auditor. The Board appointed KPMG LLP as auditors of the Company effective December 10, 2019.

#### **Approval of Omnibus Equity Incentive Plan**

At the 2022 annual general meeting, the shareholders approved the adoption of an omnibus equity incentive plan (the “**2022 Plan**”). At this year’s Meeting, the Shareholders will be asked to approve the adoption of a new omnibus equity incentive plan (the “**Compensation Plan**”) for directors, officers, employees, management company employees and consultants. The Compensation Plan includes the ability to issue stock options (“**Options**”), restricted share units (“**RSUs**”), performance share units (“**PSUs**”), and deferred share units (“**DSUs**”, and together with Options, RSUs, PSUs, the “**Awards**”). The aggregate number of Shares reserved for issuance in respect of Awards shall not exceed 10% of the total number of issued Common Shares (calculated on a rolling, non-diluted basis) at the time an Award is granted. Once approved by Shareholders and the TSX Venture Exchange (the “**Exchange**”), the Compensation Plan will replace the Company’s existing 2022 Plan, and any Awards currently issued and outstanding pursuant to the Company’s 2022 Plan or previous equity plans will be governed by the Compensation Plan.

The purpose of the Compensation Plan is to provide an incentive to directors, employees and consultants to acquire a proprietary interest in the Company, to continue their participation in the affairs of the Company and to increase their efforts on behalf of the Company.

The Compensation Plan is considered an “evergreen” plan, since Awards which have been exercised, cancelled, terminated, surrendered, forfeited or expired without being exercised shall be available for subsequent grants under the Compensation Plan, and the number of Awards available to grant increases as the number of issued and outstanding Common Shares increases.

At the Meeting, Shareholders will be asked to pass an ordinary resolution approving the continuation of the Compensation Plan. The following is a summary of certain provisions of the Compensation Plan and is subject to, and qualified in its entirety by, the full text of the Compensation Plan. A copy of the Compensation Plan is available at the records office of the Company at Suite 1200 – 750 West Pender Street, Vancouver, British Columbia, Canada until the business day immediately preceding the date of the Meeting. A copy will also be made available at the Meeting.

Type of Awards: Awards of Options, RSUs, PSUs and DSUs may be made under the Compensation Plan. All of the Awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Board, in its sole discretion, subject to such limitations provided in the Compensation Plan, and will generally be evidenced by an award agreement.

Each Option entitles a holder thereof to purchase a prescribed number of Common Shares at an exercise price determined by the Board at the time of the grant of the Option, which includes an incentive stock option (an “ISO”).

ISOs are available only for Participants who are employees of the Company, or a “parent corporation” or “subsidiary corporation” (as such terms are defined in Section 424(e) and (f) of the U.S. Tax Code), on the date the Option is granted. A Participant who holds an ISO must continue as an employee, except that upon termination of employment the Option will continue to be treated as an ISO for up to three months, after which the Option will no longer qualify as an ISO, except as otherwise provided herein. A Participant’s employment will be deemed to continue during period of sick leave, military leave or other bona fide leave of absence, provided the leave of absence does not exceed three months, or the Participant’s return to employment is guaranteed by statute or contract. If a termination of employment is due to permanent disability, an Option may continue its ISO status for up to one year, and if the termination is due to death, the ISO status may continue for the balance of the Option’s term. Nothing referenced herein will be deemed to extend the original expiry date of an Option. A Participant who owns, or is deemed to own, pursuant to Section 424(e) of the Code, Shares accounting for more than ten percent (10%) of the total combined voting power of all classes of stock of the Company may not be granted an ISO unless (i) the Option Price is at least one hundred and ten percent (110%) of the Market Value of the Shares, as of the date of the grant, and (ii) the Option is not exercisable after the expiration of five years from the date of grant. To the extent the aggregate Market Value (determined as of the date of grant) of Shares with respect to which ISOs are exercisable for the first time by a Participant during any calendar year (under all plans of the Company and any affiliates) exceeds One Hundred Thousand United States Dollars (US\$100,000), the Options or portions thereof that exceed such limit (according to the order in which they were granted) shall be treated as Options other than ISOs, notwithstanding any contrary provision in the applicable award agreement.

A RSU is a right awarded to a Participant, as compensation for employment or consulting services or services as a director or officer, to receive for no additional cash consideration, securities of the Company upon specified vesting criteria being satisfied, and subject to the terms and conditions of the Compensation Plan and the applicable award agreement, and which may be paid in cash and/or Common Shares.

A PSU is a right awarded to a Participant, as compensation for employment or consulting services or services as a director or officer, to receive, for no additional cash consideration, securities of the Company upon specified performance and vesting criteria being satisfied, subject to the terms and conditions of the Compensation Plan and the applicable award agreement, and which may be paid in cash and/or Common Shares.

A DSU is a right granted to a Participant, as compensation for employment or consulting services or services as a director or officer, to receive, for no additional cash consideration, securities of the Company on a deferred basis upon specified vesting criteria being satisfied, subject to the terms and conditions of the Compensation Plan and the applicable award agreement, and which may be paid in cash and/or Common Shares.

Eligible Participants. Awards may be granted under the Compensation Plan to directors and senior officers of the Company or its subsidiaries, management company employees (collectively, the “**Directors**”), employees of the Company or its subsidiaries (collectively, the “**Employees**”) or consultants of the Company or its subsidiaries (collectively, the “**Consultants**”). The Board, in its discretion, determines which of the Directors, Employees or Consultants will be granted Awards under the Compensation Plan.

Number of Common Shares Reserved. The aggregate number of Common Shares reserved for issuance in respect of Awards shall not exceed ten (10%) percent of the total number of issued Common Shares (calculated on a rolling, non-diluted basis) at the time an Award is granted. Awards that are exercised, cancelled or expire prior to exercise continue to be issuable under the Compensation Plan.

Limitations. Under the Compensation Plan, the aggregate number of Common Shares that are issuable pursuant to all Awards granted or issued to any one person (including companies wholly owned by that person) in a 12-month period must not exceed 5% of the issued and outstanding Common Shares of the Company, calculated on the date the Award is granted or issued to the person. The aggregate number of Common Shares that are issuable pursuant to all Awards granted or issued to any one Consultant in a 12-month period must not exceed 2% of the issued and outstanding Common Shares of the Company, calculated at the date the Award is granted or issued. The aggregate number of Common Shares issuable pursuant to all Awards granted or issued to all persons retained to provide investor relations services to the Company (including Consultants and Employees or Directors

whose role and duties primarily consist of providing investor relations services) must not exceed 2% of the issued and outstanding Common Shares of the Company in any 12-month period, calculated at the date an Award is granted or issued to any such person. Disinterested shareholder approval will be required for any grant of Awards which will result in the number of Common Shares issuable pursuant to all Awards granted or issued to Insiders (as defined in the *Securities Act* (British Columbia)) as a group at any point in time or within a 12 month period exceeding 10% of the issued and outstanding Common Shares of the Company.

Exercise Price. The exercise price of Options granted under the Compensation Plan is determined by the Board, provided that it is not less than the discounted market price, as that term is defined in Exchange policy manual, or such other minimum price as is permitted by the Exchange in accordance with the policies in effect at the time of the grant, or, if the Common Shares are no longer listed on the Exchange, then such other exchange or quotation system on which the Common Shares are listed or quoted for trading. The exercise price of Options granted to Insiders may not be decreased without disinterested Shareholder approval at the time of the proposed amendment.

Cashless Exercise. Subject to the rules and policies of the TSX-V, the Board may, in its discretion and at any time, determine to grant a Participant the alternative, when entitled to exercise an Option, to deal with such Option on a “cashless exercise” basis, on such terms as the Board may determine in its discretion (the “**Cashless Exercise Right**”). Without limitation, the Board may determine in its discretion that such Cashless Exercise Right, if any, grants a Participant the right to engage a broker to sell such number of Common Shares as is necessary to raise an amount equal to the aggregate exercise price for all Options being exercised by that Participant and any applicable tax withholdings. Pursuant to the award agreement, the Participant may authorize the broker to sell shares on the open market and forward the proceeds to the Company to satisfy the exercise price and any applicable tax withholdings, promptly following which the Company shall issue the Common Shares underlying the number of Options as provided for in the award agreement. In the event the Company permits a Participant to exercise a Cashless Exercise Right, the Company shall make an election pursuant to subsection 110(1.1) of the *Income Tax Act* (Canada)

Term of Options. Subject to the termination and change of control provisions noted below, the term of any Options granted under the Compensation Plan is determined by the Board and may not exceed ten (10) years from the date of grant. Disinterested Shareholder approval will be required for any extension to stock options granted to individuals that are Insiders at the time of the proposed amendment.

Deferment. Subject to the terms and conditions of the applicable Award Agreement, if a Participant wishes to defer settling an Award of RSUs, the Participant must provide written notice to the Company within three business days of the Vesting Date. Subject to the terms and conditions of the applicable Award Agreement, if a Participant wishes to defer settling an Award of PSUs, the Participant must provide written notice to the Company within three business days of the Determination Date (as defined in the Compensation Plan).

Vesting. All Options granted pursuant to the Compensation Plan will be subject to such vesting requirements as may be prescribed by the Exchange, if applicable, or as may be imposed by the Board. Options issued to persons retained to provide Investor Relations Activities must vest in stages over 12 months with no more than one-quarter of the Options vesting in any three month period. No Awards issued pursuant to the Compensation Plan, other than Options, may vest before the date that is one year following the date it is granted or issued.

#### Termination.

##### *Options*

Any Options granted pursuant to the Compensation Plan will terminate at the end of the term of the Option. Where a Participant’s relationship with the Company is terminated by the Company or a subsidiary for cause, all Options granted to the Participant under the Compensation Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date. Where a Participant’s relationship with the Company terminates by reason of termination by the Company or a subsidiary without cause, by voluntary termination, voluntary resignation or due to retirement by the Participant, such that the Participant no longer qualifies as an eligible person, all Options granted to the Participant under the Compensation Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date; provided, however, that any Options granted to such Participant which, prior to the Participant’s termination without cause, voluntary termination, voluntary resignation or retirement, had vested pursuant to the terms of the applicable award agreement will accrue to the Participant in accordance with the Compensation Plan and shall be exercisable by such Participant for a period of 90 days following the date the Participant ceased to be an eligible person, or such longer period as may be provided for in the award agreement or as may be determined by the Board provided such period does not exceed 12

months after the termination date.

*RSUs*

Where a Participant's relationship with the Company is terminated by the Company or a subsidiary for cause, all RSUs granted to the Participant under the Compensation Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date.

Where a Participant's relationship with the Company terminates by reason of termination by the Company or a subsidiary without cause, by voluntary termination, voluntary resignation or due to retirement by the Participant, all RSUs granted to the Participant under the Compensation Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date and the Participant shall have no right, title or interest therein whatsoever; provided, however, that any RSUs granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, voluntary resignation or retirement, had vested pursuant to the terms of the applicable award agreement will accrue to the Participant in accordance with the Compensation Plan.

*PSUs*

Where a Participant's relationship with the Company is terminated by the Company or a subsidiary for cause, all PSUs granted to the Participant under the Compensation Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date.

Where a Participant's relationship with the Company terminates by reason of termination by the Company or a subsidiary without cause, by voluntary termination, voluntary resignation or due to retirement by the Participant, all PSUs granted to the Participant which have not vested will, unless the award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date, and the Participant shall have no right, title or interest therein whatsoever; provided, however, the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable performance have been satisfied in that portion of the performance cycle that has lapsed.

*DSUs*

Upon a Participant ceasing to be a Participant by reason of Termination for Cause, the Participant's participation in the Compensation Plan shall be terminated immediately, all DSUs credited to such Participant's Account that have not vested shall be forfeited and cancelled, and the Participant's rights to Shares or Cash Equivalent or a combination thereof that relate to such Participant's unvested DSUs shall be forfeited and cancelled on the Termination Date. The Participant shall not receive any payment in lieu of cancelled DSUs that have not vested. "Termination for Cause" shall include, among other things, gross misconduct, theft, fraud, breach of confidentiality or breach of the Company's codes of conduct and any other reason determined by the Company to be cause for termination. For the purposes of the Compensation Plan, the determination by the Company that the Participant was discharged for Cause shall be binding on the Participant.

Adjustments. Any adjustment to Awards granted or issued (except in relation to a consolidation or share split) must be subject to the prior acceptance of the Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization. The Company will seek Disinterested Shareholder approval in respect of any material amendment to the Compensation Plan.

The Compensation Plan is subject to the approval of the Exchange and if the Exchange finds the disclosure in this Information Circular to be inadequate, then the Shareholder approval may not be accepted by the Exchange. On September 5, 2023, the Company received conditional approval to the Compensation Plan from the Exchange.

**The implementation of the Compensation Plan remains subject to the ratification of the shareholders of the Company and final approval of the Exchange.**

***The Compensation Plan Resolution***

Shareholders will be asked at the Meeting to approve, with or without variation, the following ordinary resolution (the "Compensation Plan Resolution"):

“BE IT RESOLVED as an ordinary resolution THAT:

- (a) the Company’s 2023 omnibus equity incentive plan (the “**Compensation Plan**”), adopted by the board of directors of the Company effective as of September 5, 2023, be and is hereby confirmed, ratified and approved, and the Company has the ability to grant awards under the Compensation Plan;
- (b) all issued and outstanding stock options and incentive equity awards of the Company previously granted shall be continued under and governed by the Compensation Plan;
- (c) the board of directors of the Company be authorized in its absolute discretion to administer the Compensation Plan, and amend or modify the Compensation Plan in accordance with its terms and conditions and with the policies of the TSX Venture Exchange; and
- (d) any director or officer of the Company be authorized and directed to do all acts and things and to execute and deliver all documents required, as in the opinion of such director or officer may be necessary or appropriate in order to give effect to this resolution.”

Management recommends that Shareholders approve the Compensation Plan Resolution. If the Compensation Plan Resolution is approved by Shareholders, the Directors will have the authority, in their sole discretion, to implement or revoke the Compensation Plan Resolution and otherwise implement or abandon the Compensation Plan.

**In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR the Compensation Plan Resolution.**

#### **OTHER BUSINESS**

As of the date of this Information Circular, management of the Company knows of no other matters to be acted upon at the Meeting. However, should any other matters properly come before the Meeting, the Common Shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Common Shares represented by the Proxy.

#### **EXECUTIVE COMPENSATION**

Except where otherwise indicated, the information contained herein is stated as of December 31, 2022.

For the purposes set out below a “**Named Executive Officer**” or “**NEO**” means:

- (a) the Company’s chief executive officer (“**CEO**”);
- (b) the Company’s chief financial officer (“**CFO**”);
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the CEO and the CFO, at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- (d) each individual who would be a named executive officer under subsection (c) above but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

As at December 31, 2022, the end of the most recently completed financial year of the Company, the Company had four NEOs, whose names and positions held within the Company are set out in the summary compensation table below.

An NEO or director of the Company is not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly by the NEO or director.

## DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

### Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table is a summary of compensation (excluding compensation securities) paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company to each NEO and director for each of the Company's two most recently completed financial years.

Table of compensation excluding compensation securities							
Name and position	Year Ended	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>John Proust<sup>(1)</sup></b> <i>CEO, Chairman and Director</i>	2022	348,000	Nil	Nil	Nil	Nil	348,000
	2021	288,000	Nil	Nil	Nil	Nil	288,000
<b>Vincent Boon<sup>(2)</sup></b> <i>CFO</i>	2022	180,000	Nil	Nil	Nil	Nil	180,000
	2021	96,000	Nil	Nil	Nil	Nil	96,000
<b>Andrew Rowe<sup>(3)</sup></b> <i>Vice President, Exploration</i>	2022	174,641	Nil	Nil	Nil	Nil	174,641
	2021	187,129	Nil	Nil	Nil	Nil	187,129
<b>Takashi Kuriyama<sup>(4)</sup></b> <i>General Manager Exploration</i>	2022	177,348	Nil	Nil	Nil	Nil	177,348
	2021	164,488	Nil	Nil	Nil	Nil	164,488
<b>Mitsuhiko Yamada<sup>(5)</sup></b> <i>Director</i>	2022	168,000	Nil	Nil	Nil	Nil	168,000
	2021	168,000	Nil	Nil	Nil	Nil	168,000
<b>Murray Flanigan</b> <i>Director</i>	2022	30,000	Nil	Nil	Nil	Nil	30,000
	2021	30,000	Nil	Nil	Nil	Nil	30,000
<b>Paul Harbidge<sup>(6)</sup></b> <i>Director</i>	2022	30,000	Nil	Nil	Nil	Nil	30,000
	2021	30,000	Nil	Nil	Nil	Nil	7,500
<b>Tanneke Heersche<sup>(7)</sup></b> <i>Director</i>	2022	30,000	Nil	Nil	Nil	Nil	30,000
	2021	7,500	Nil	Nil	Nil	Nil	7,500
<b>Michael Carrick<sup>(8)</sup></b> <i>Director</i>	2022	30,000	Nil	Nil	Nil	Nil	30,000
	2021	7,500	Nil	Nil	Nil	Nil	7,500
<b>Ian Burney<sup>(9)</sup></b> <i>Director</i>	2022	30,000	Nil	Nil	Nil	Nil	30,000
	2021	7,500	Nil	Nil	Nil	Nil	7,500
<b>John Carlile<sup>(10)</sup></b> <i>Former Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	22,500	Nil	Nil	Nil	Nil	22,500
<b>Robert Gallagher<sup>(11)</sup></b> <i>Former Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	22,500	Nil	Nil	Nil	Nil	22,500

Table of compensation excluding compensation securities							
Name and position	Year Ended	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Michael Andrews <sup>(12)</sup> <i>Former Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	22,500	Nil	Nil	Nil	Nil	22,500

**Notes:**

- (1) John Proust received compensation in the total amount of \$289,150 for the year ended 2022 in his position as CEO and received compensation in the total amount of \$Nil for the year ended 2022 in his position as a director of the Company. Mr. Proust is also the representing director of Japan Gold KK (“JGKK”), a wholly-owned subsidiary of the Company, effective January 1, 2023. In the year ended 2022, Mr. Proust received \$58,850 in his position as a director of JGKK.
- (2) Eileen Au was appointed as Corporate Secretary in place of Vincent Boon on October 21, 2021.
- (3) Andrew Rowe is also a director of JGKK. In the year ended 2022, Mr. Rowe received compensation of \$119,260 in his position as a director of JGKK, and \$55,381 in his position as an officer of the Company. In the year ended 2021, Mr. Rowe received compensation of \$136,350 in his position as a director of JGKK, and \$50,779 in his position as an officer of the Company.
- (4) Takashi Kuriyama is also a director of JGKK. In the year ended 2022, Mr. Kuriyama received compensation of \$164,229 in his position as an officer of the Company, and \$13,119 in his position as a director of JGKK. In the year ended 2021, Mr. Kuriyama received compensation of \$149,489 in his position as an officer of the Company, and \$14,999 in his position as a director of JGKK.
- (5) Mitsuhiro Yamada was also the representing director of JGKK, a wholly-owned subsidiary of the Company, until December 31, 2022, when Mr. Proust assumed this role. Effective January 1, 2023, Mr. Yamada retired as a director of the Company.
- (6) Paul Harbidge was appointed as a director on November 17, 2020.
- (7) Tanneke Heersche was elected as a director of the Company at the 2021 AGM on October 21, 2021.
- (8) Michael Carrick was elected as a director of the Company at the 2021 AGM on October 21, 2021.
- (9) Ian Burney was elected as a director of the Company at the 2021 AGM on October 21, 2021.
- (10) John Carlile resigned as the Executive Vice President on March 25, 2020 and did not stand for re-election at the Company’s annual general meeting held on October 21, 2021.
- (11) Robert Gallagher did not stand for re-election at the Company’s annual general meeting held on October 21, 2021.
- (12) Michael Andrews resigned as the President and Chief Operating Officer on March 25, 2020 and did not stand for re-election at the Company’s annual general meeting held on October 21, 2021.

**External management companies**

John Proust, CEO and Vincent Boon, CFO are not employees of the Company. On September 16, 2016 and subsequently on January 1, 2022, the Company entered into consulting services agreements with J. Proust & Associates Inc. (“JPA”) and Portland Management Inc. (“PMI”) respectively, pursuant to which the Company agreed to retain the services of JPA and PMI as independent contractors whereby JPA agreed to provide management and consulting services, including the provision of a Chief Executive Officer, and PMI agreed to provide accounting and administrative services, including the provision of a Chief Financial Officer, Corporate Secretary, controller and accountant. JPA and PMI are private British Columbia companies beneficially owned by John Proust. In consideration for JPA providing the services to the Company, the Company agreed to pay JPA \$29,000 plus GST per month and PMI \$32,000 plus GST per month, both of which may be revised from time to time upon mutual agreement of the parties. During the financial year ended December 31, 2022, Mr. Proust received compensation in the amount of \$348,000 for services performed as Chief Executive Officer of the Company and director of JGKK, and Mr. Boon received compensation in the amount of \$180,000 for services performed as Chief Financial Officer.

## Stock Options and Other Compensation Securities

The following table contains information on compensation securities that were granted or issued to the directors and NEOs of the Company by the Company in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Company.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	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
<b>John Proust</b> <sup>(1)</sup> <i>CEO, Chairman and Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
<b>Vincent Boon</b> <i>CFO</i> <sup>(2)</sup>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
<b>Andrew Rowe</b> <sup>(3)</sup> <i>Vice President, Exploration</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
<b>Takashi Kuriyama</b> <sup>(4)</sup> <i>General Manager Exploration</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
<b>Mitsuhiko Yamada</b> <sup>(5)</sup> <i>Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
<b>Murray Flanigan</b> <sup>(6)</sup> <i>Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
<b>Paul Harbidge</b> <sup>(7)</sup> <i>Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
<b>Tanneke Heersche</b> <sup>(8)</sup> <i>Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
<b>Michael Carrick</b> <sup>(9)</sup> <i>Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
<b>Ian Burney</b> <sup>(10)</sup> <i>Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A

### Notes:

- (1) As at December 31, 2022, John Proust owned an aggregate of 6,000,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Common Share.
- (2) As at December 31, 2022, Vincent Boon owned an aggregate of 700,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Common Share.
- (3) As at December 31, 2022, Andrew Rowe owned an aggregate of 1,900,000 compensation securities, comprised solely of stock

- options, each of which is exercisable into one Common Share.
- (4) As at December 31, 2022, Takashi Kuriyama owned an aggregate of 700,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Common Share.
  - (5) As at December 31, 2022, Mitsuhiko Yamada owned an aggregate of 850,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Common Share.
  - (6) As at December 31, 2022, Murray Flanigan owned an aggregate of 600,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Common Share.
  - (7) As at December 31, 2022, Paul Harbidge owned an aggregate of 750,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Common Share.
  - (8) As at December 31, 2022, Tanneke Heersche owned an aggregate of 200,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Common Share.
  - (9) As at December 31, 2022, Michael Carrick owned an aggregate of 200,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Common Share.
  - (10) As at December 31, 2022, Ian Burney owned an aggregate of 200,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Common Share.

No compensation securities were exercised by a director or NEO during the Company's most recently completed financial year.

### **Stock Option Plans and Other Incentive Plans**

The Company's current omnibus incentive plan, the 2022 Plan was previously approved by the Shareholders at the annual general meeting of the Shareholders held on October 20, 2022. It is expected that the Compensation Plan will replace the 2022 Plan upon receipt of Shareholder and Exchange approval of the Compensation Plan, and all Awards granted under the 2022 Plan will be governed by the Compensation Plan. The purpose of the Compensation Plan, and the 2022 Plan, is to provide an incentive to directors, employees and consultants to acquire a proprietary interest in the Company, to continue their participation in the affairs of the Company and to increase their efforts on behalf of the Company. The following summary of the material terms of the 2022 Plan does not purport to be complete and is qualified in its entirety by reference to the 2022 Plan. Shareholders may obtain a copy of the 2022 Plan from the Company prior to the Meeting on written request.

Type of Awards: Awards of Options, RSUs, PSUs and DSUs may be made under the 2022 Plan.

Eligible Participants. Awards may be granted under the 2022 Plan to directors and senior officers of the Company or its subsidiaries, management company employees (collectively, the "**Directors**"), employees of the Company or its subsidiaries (collectively, the "**Employees**") or consultants of the Company or its subsidiaries (collectively, the "**Consultants**"). The Board, in its discretion, determines which of the Directors, Employees or Consultants will be granted Awards under the 2022 Plan.

Number of Common Shares Reserved. The aggregate number of Common Shares reserved for issuance in respect of Options shall not exceed ten (10%) percent of the total number of issued Common Shares (calculated on a non-diluted basis) at the time an Option is granted. The aggregate number of Common Shares issuable in respect of RSUs, PSUs and DSUs is 4,497,809 Common Shares. Options that are exercised, cancelled or expire prior to exercise continue to be issuable under the 2022 Plan.

Subsequent to the shareholder approval of the 2022 Plan at the 2022 annual general meeting, the board of directors passed a resolution capping all types of consideration referred to in the 2022 Plan for the ensuing year to a rolling maximum of 10% of the total number of issued and outstanding common shares of the Company on the date of a grant.

Limitations. Under the 2022 Plan, the aggregate number of Common Shares that are issuable pursuant to all Awards granted or issued to any one person (including companies wholly owned by that person) in a 12-month period must not exceed 5% of the issued and outstanding Common Shares of the Company, calculated on the date the Award is granted or issued to the person. The aggregate number of Common Shares that are issuable pursuant to all Awards granted or issued to any one Consultant in a 12-month period must not exceed 2% of the issued and outstanding Common Shares of the Company, calculated at the date the Award is granted or issued. The aggregate number of Common Shares issuable pursuant to all Awards granted or issued to all persons retained to provide investor relations services to the Company (including Consultants and Employees or Directors whose role and duties primarily consist of providing investor relations services) must not exceed 2% of the issued and outstanding Common Shares of the Company in any 12-month period, calculated at the date an Award is granted or issued to any such person. Disinterested shareholder approval will be required for any grant of Awards which will result in the number of Common Shares issuable pursuant to all Awards granted or issued to Insiders (as defined in the *Securities Act* (British Columbia)) as a group at any point in time or within a 12 month period exceeding 10% of the issued and outstanding Common Shares of the Company.

Exercise Price. The exercise price of Options granted under the 2022 Plan is determined by the Board, provided that it is not less than the discounted market price, as that term is defined in Exchange policy manual, or such other minimum price as is permitted

by the Exchange in accordance with the policies in effect at the time of the grant, or, if the Common Shares are no longer listed on the Exchange, then such other exchange or quotation system on which the Common Shares are listed or quoted for trading. The exercise price of Options granted to Insiders may not be decreased without disinterested Shareholder approval at the time of the proposed amendment.

Term of Options. Subject to the termination and change of control provisions noted below, the term of any Options granted under the 2022 Plan is determined by the Board and may not exceed ten (10) years from the date of grant. Disinterested Shareholder approval will be required for any extension to stock options granted to individuals that are Insiders at the time of the proposed amendment.

Vesting. All Options granted pursuant to the 2022 Plan will be subject to such vesting requirements as may be prescribed by the Exchange, if applicable, or as may be imposed by the Board. Options issued to persons retained to provide Investor Relations Activities must vest in stages over 12 months with no more than one-quarter of the Options vesting in any three month period. No Awards issued pursuant to the 2022 Plan, other than Options, may vest before the date that is one year following the date it is granted or issued.

Please see “*Approval of Omnibus Equity Incentive Plan*” above for the material terms of the Compensation Plan. The Compensation Plan will be placed before the Meeting for Shareholder approval,

### **Employment, consulting and management agreements**

On January 1, 2022, the Company entered into the consulting agreements with JPA and PMI, pursuant to which the Company agreed to retain the services of JPA and PMI as independent contractors. Pursuant to the agreements, JPA agreed to provide management consulting services including the provision of a Chief Executive Officer and PMI agreed to provide finance, accounting and administrative services including the provision of a Chief Financial Officer, Corporate Secretary, controller and accountant. JPA and PMI are private British Columbia companies beneficially owned by John Proust. In consideration for JPA providing the services to the Company, the Company agreed to pay JPA \$29,000 plus GST per month and PMI \$32,000 plus GST per month, both of which may be revised from time to time upon mutual agreement of the parties. During the financial year ended December 31, 2022, the Company paid a total of \$564,000 to JPA and PMI. Either the Company or JPA or PMI may, upon 90 days’ written notice to the other party, terminate the consulting agreement applicable to that party. During the financial year ended December 31, 2022, Mr. Proust received compensation in the amount of \$348,000 for services performed as Chief Executive Officer and as director of JGKK, and Mr. Boon received compensation in the amount of \$180,000 for services performed as Chief Financial Officer.

On September 1, 2020, the Company entered into a consulting agreement with Takashi Kuriyama pursuant to which Mr. Kuriyama was engaged as the Company’s General Manager of Exploration to provide management, analysis and strategic advice related to the development of the Company’s gold and copper-gold exploration projects in Japan on a non-exclusive basis. In consideration for the services to be provided by Mr. Kuriyama, the Company has agreed to pay a monthly consulting fee of ¥1,200,000,<sup>1</sup> and a business trip allowance of ¥55,000<sup>2</sup> per day. The agreement contains non-disclosure provisions and automatically renews on an annual basis unless terminated by either party by giving the other party not less than thirty days’ written notice. Effective January 1, 2023, Mr. Kuriyama was appointed as a director of the Company. During the year ended December 31, 2022, the Company paid \$74,600 in consulting fees to Mr. Kuriyama.

The Company engaged Andrew Rowe as the Company’s Vice President, Exploration to manage the technical planning, project management and operational execution of the Company’s projects in Japan. Mr. Rowe is also responsible for budgeting, administration, and recruitment of staff for the Company’s office in Japan. In consideration for the consulting services to be provided by Mr. Rowe, the Company has agreed to pay a monthly consulting fee of approximately \$14,600 for his services or at a rate of USD\$900<sup>3</sup> per day. The Company has also agreed to reimburse Mr. Rowe for travel and meal expenses. Either party may terminate the arrangement by providing one month’s written notice unless the agreement is terminated for cause. During the year ended December 31, 2022, the Company paid \$174,641 in consulting fees for project evaluation to Mr. Rowe.

On September 16, 2016, and amended November 27, 2017, Japan Gold KK (formerly Southern Arc Minerals Japan KK) (the “**Subsidiary**”), a wholly owned subsidiary of the Company, entered into a consulting agreement (the “**M&S Consulting Agreement**”) with M&S Yamada Consultants, LLC (“**M&S**”) pursuant to which the Subsidiary agreed to retain M&S to provide

<sup>1</sup> approximately \$12,324 based on exchange rate of C\$1: ¥97.3710 on December 31, 2022.

<sup>2</sup> approximately \$565 based on exchange rate of C\$1: ¥97.3710 on December 31, 2022.

<sup>3</sup> approximately \$1,219 based on exchange rate of C\$1: US\$0.7383 on December 31, 2022.

consulting services from time to time, including providing analysis and strategic advice related to the development of the Subsidiary's gold and copper-gold exploration projects in Japan. Mr. Mitsuhiro Yamada (a former director of the Company) is the Managing Member and Representative Member of M&S. Pursuant to the M&S Consulting Agreement, the Subsidiary agreed to pay M&S, commencing November 27, 2017, \$14,000 monthly in consideration for M&S' services and duties to the Subsidiary. The M&S Consulting Agreement has a term of one year and automatically renews each year until terminated by either party in accordance with the agreement. During the financial year ended December 31, 2022, the Company paid a total of \$168,000 to M&S. Either party may, upon 30 days' written notice to the other party, terminate the M&S Consulting Agreement. Effective January 1, 2023, Mitsuhiro Yamada resigned as a director of the Company but remains as an advisor to the Company.

Other than disclosed herein, the Company does not have any agreement or arrangement under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Company or any of its subsidiaries that were performed by a director or NEO, or performed by any other party but are services typically provided by a director or a NEO.

### **Oversight and Description of Director and Named Executive Officer Compensation**

The objective of the Company's compensation program is to compensate the executive officers for their services to the Company at a level that is both in line with the Company's fiscal resources and competitive with mineral exploration companies of a similar size at a similar stage of development.

The Company compensates its executive officers based on their skill, qualifications, experience level, level of responsibility involved in their position, the existing stage of development of the Company, the Company's resources, industry practice and regulatory guidelines regarding executive compensation levels.

To date, the Company has not specified significant elements of compensation tied to any performance criteria awarded to, earned by, paid or payable to each NEO, and no formulas have been developed to assign a specific weighting to any such components. Compensation of NEOs is handled by the Company's compensation committee (the "**Compensation Committee**"). The Compensation Committee is comprised of two or more "independent" directors, whose primary function is to monitor and make recommendations to the Board in respect of the total compensation paid by the Company to its directors and senior executives. The current members of the Compensation Committee are Michael Carrick (Chair), Murray Flanigan, and Tanneke Heersche. The functions of the Compensation Committee are governed by the Company's compensation committee charter (the "**Compensation Committee Charter**") which was adopted by the Board on November 23, 2016. Pursuant to the Compensation Committee Charter, the Compensation Committee will review the total compensation (including direct salary and annual bonus as well as long term stock-related incentive plans) paid to each executive officer of the Company on an annual basis. In addition, the Compensation Committee will review and consider corporate goals and objectives relevant to compensation for all executive officers, evaluate the performance of each executive officer in light of those corporate goals and objectives, and determine and/or make recommendations to the Board with respect to the level of compensation for the executive officers based on this evaluation. The Committee also review annually, and submit to the Board for its approval, the compensation to be paid to members of the Board as directors, in light of director compensation guidelines established by the Board.

The Compensation Committee has implemented three levels of compensation to align the interests of the executive officers with those of the Shareholders. First, executive officers may be paid a monthly consulting fee or salary. Second, the Board and/or Compensation Committee may award executive officers long term incentives in the form of stock options. Finally, and only in special circumstances, the Board and/or Compensation Committee may award cash or share bonuses for exceptional performance that results in a significant increase in Shareholder value.

The base compensation of the executive officers is reviewed and set annually by the Board based on recommendations by the Compensation Committee. The CEO has substantial input in setting annual compensation levels. The CEO is directly responsible for the financial resources and operations of the Company. In addition, the CEO and Board, with recommendations from the Compensation Committee, from time to time determine the stock option grants to be made pursuant to the Company's stock option plan. Previous grants of stock options are taken into account when considering new grants. The Board awards bonuses at its sole discretion. The Board does not have pre-existing performance criteria or objectives.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Company's financial resources and prospects.

In determining the compensation paid to the Company's NEOs for the financial year ended December 31, 2022, the Compensation Committee considered a variety of factors including the long-term interests of the Company and its shareholders, the implications of the risks associated with the Company's compensation policies and practices in light of the financial performance of the Company, the overall financial and operating performance of the Company and the Compensation Committee's assessment of each NEO's individual performance and contribution toward meeting corporate objectives.

The Company does not anticipate any significant changes to the Company's compensation policies that could or will have an effect on director or named executive officer compensation.

### Pension Disclosure

The Company does not have a pension plan that provides for payments or benefits to the NEOs or Directors at, following, or in connection with retirement.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as at the end of the Company's most recently completed financial year with respect to compensation plans under which equity securities of the Company are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by Shareholders (2022 Plan)	21,780,000	\$0.30	709,047 <sup>(1)</sup>
			4,497,809 <sup>(2)</sup>
Equity compensation plans not approved by Shareholders	N/A	N/A	N/A
<b>Total:</b>	<b>21,780,000</b>	<b>-</b>	<b>5,206,856</b>

#### Notes:

- (1) Based on the Company's issued and outstanding of 224,890,479 Common Shares as at December 31, 2022.
- (2) Representing the aggregate number of Common Shares issuable in respect of RSUs, PSUs and DSUs pursuant to the 2022 Plan.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Since the beginning of the most recently completed financial year, none of the directors, executive officers, employees, proposed nominees for election as directors or their associates have been indebted to the Company.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed below, no informed person (a director, officer or holder of 10% or more of the Common Shares) 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 since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

John Proust beneficially owns JPA and PMI and has an interest in the Amended and Restated JPA Consulting Agreement and the PMI Agreement.

Mitsuhiko Yamada is a director of the Company and a Managing Member and Representative Member of M&S and has an interest in the M&S Consulting Agreement.

Subsequent to the Company's most recently completed financial year ended December 31, 2022, the Company entered into an employment agreement dated July 4, 2023 with Brenda Dayton, an officer of the Company (the "**Dayton Agreement**"). Pursuant

to the Dayton Agreement, Ms. Dayton will receive remuneration of \$120,000 per annum for her role as Vice President, Corporate Communications of the Company and was granted 200,000 stock options, with a two-year vesting period, on July 5, 2023.

## **MANAGEMENT CONTRACTS**

Management functions of the Company or any of its subsidiaries are not to any substantial degree performed by anyone other than the directors or executive officers of the Company or subsidiary.

## **STATEMENT OF CORPORATE GOVERNANCE**

### **Corporate Governance**

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 charged with the day to day management of the Company. The Canadian Securities Administrators (“CSA”) have adopted National Policy 58-201 Corporate Governance Guidelines, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the CSA has implemented National Instrument 58-101 Disclosure of Corporate Governance Practices (“NI 58-101”), which prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

### **Board of Directors**

The Board currently consists of seven members, John Proust, Michael Carrick, Murray Flanigan, Paul Harbidge, Tanneke Heersche, Ian Burney, and Takashi Kuriyama.

The Board has concluded that five directors, Tanneke Heersche, Michael Carrick, Ian Burney, Murray Flanigan, and Paul Harbidge are “independent” for purposes of membership on the Board, as provided in NI 58-101. John Proust, CEO and Chairman of the Company and representing director of Japan Gold KK and Takashi Kuriyama, GM Exploration are not “independent” for the purposes of membership on the Board, as provided in NI 58-101.

There are no regularly scheduled meetings of independent directors. The Board facilitates open and candid discussion among its independent directors through collective communication among its directors and management.

### **Other Directorships**

The following table sets forth the current directors of the Company who are also directors of other reporting issuers:

<b>Name</b>	<b>Name of other reporting issuer</b>
John Proust	Lincoln Ventures Ltd. Southern Arc Minerals Inc. Rise Gold Corp.
Murray Flanigan	Lincoln Ventures Ltd. Rise Gold Corp.
Paul Harbidge	Faraday Copper Corp.
Michael Carrick	RTG Mining Inc.

### **Orientation and Continuing Education**

Orientation of new members of the Board is conducted informally by management and members of the Board. The Company has not adopted formal policies respecting continuing education for Board members.

## **Ethical Business Conduct**

The Board has adopted a formal code of business conduct and ethics (the “**Code**”) with the goal of promoting the highest moral, legal and ethical standards and conduct within the Company. Compliance with the Code and high standards of business conduct is mandatory for every director, officer, employee and consultant of the Company. The Code provides general parameters to help directors, officers, employees and consultants regarding matters including: (a) honest and ethical conduct, (b) full, fair, accurate, timely and understandable disclosure, (c) compliance with laws, rules and regulations, and (d) administration.

The Board has also adopted a formal whistle-blower policy (the “**Whistle-Blower Policy**”) which addresses the Company’s commitment to ethical behavior by helping to foster and maintain an environment where all persons can act in confidence, without fear of retaliation. The Whistle-Blower Policy is intended to supplement Section E - *Administration* of the Code. The Whistle-Blower Policy sets out procedures for reporting, receiving, and investigating complaints relating to (i) the Code of Business Conduct of a director, an officer or a consultant of the Company or other third party, and (ii) questionable accounting, internal controls and procedures or auditing matters relating to the Company.

## **Nomination of Directors**

The Board has adopted a nomination and corporate governance committee charter. The Company’s nomination and corporate governance committee is comprised of Tanneke Heersche (Chair), Ian Burney, and Paul Harbidge. The principal purpose of the nomination and corporate governance committee is to provide assistance to the Board in fulfilling its responsibility to the shareholders, potential shareholders, and the investment community by doing the following: (a) developing and recommending to the Board corporate governance principles applicable to the Company; (b) identifying and recommending qualified individuals for nomination to the Board for the next annual meeting of shareholders; and (c) providing such assistance as the Chair of the Board, or alternatively the lead director of the Board, may require.

## **Compensation**

The Company’s compensation committee is comprised of Michael Carrick (Chair), Murray Flanigan, and Tanneke Heersche. The Board has adopted a compensation committee charter. The compensation committee is responsible for reviewing and determining the adequacy and form of compensation paid to the Company’s directors, executives and key employees. The compensation committee members evaluate the performance of senior management measured against the Company’s business goals and industry compensation levels. The compensation committee is also responsible for and has authority to administer the Company’s stock option plan and to make all decisions regarding option grants, including option terms and amendments, thereunder.

## **Board Committees**

The Board has no committees other than the audit committee, compensation committee, and nomination and corporate governance committee.

## **Assessments**

The Board annually, and at such other times as it deems appropriate, reviews the performance and effectiveness of the Board, the directors and its committees to determine whether changes in size, personnel or responsibilities are warranted. To assist in its review, the Board conducts informal surveys of its directors and receives a report from the audit committee respecting its effectiveness. As part of the assessments, the Board or the audit committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

## **AUDIT COMMITTEE**

### **Audit Committee Disclosure**

Pursuant to Section 224(1) of the *Business Corporations Act* (British Columbia) and National Instrument 52-110 of the Canadian Securities Administrators (“**NI 52-110**”) the Company is required to have an audit committee (the “**Committee**”) comprising not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company. NI 52-110 requires the Company as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

The primary function of the Committee is to assist the Board in fulfilling its financial oversight responsibilities by: (i) reviewing the financial reports and other financial information provided by the Company to regulatory authorities and Shareholders; (ii) reviewing the systems for internal corporate controls which have been established by the Board and management; and (iii) overseeing the Company's financial reporting processes generally. In meeting these responsibilities the Committee monitors the financial reporting process and internal control system; reviews and appraises the work of external auditors and provides an avenue of communication between the external auditors, senior management and the Board. The Committee is also mandated to review and approve all material related party transactions.

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

The Company has adopted a Charter of the Audit Committee of the Board a copy of which is annexed hereto as Schedule "A".

### **Composition of the Audit Committee**

The Committee comprises of the following members: Murray Flanigan (Chair), Michael Carrick, and Paul Harbidge, all of whom are considered to be independent. In addition, each member of the Committee is considered to be financially literate as defined by NI 52-110 in that they have 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 presumably be expected to be raised by the Company's financial statements.

The members of the Committee are elected by the Board at its first meeting following the annual shareholders' meeting. Unless a chair is elected by the full Board, the members of the Committee designate a chair by a majority vote of the full Committee membership.

### **Relevant Education and Experience**

*Murray Flanigan* – Mr. Flanigan is a management consultant providing financial advisory services to several public and private mining and technology companies in North America and abroad. Mr. Flanigan is a Chartered Professional Accountant and a Chartered Financial Analyst with expertise in corporate finance, mergers and acquisitions, international taxation, risk management, banking, treasury, corporate restructuring and accounting, and has served as Chief Financial Officer for various public and private companies. Mr. Flanigan is formerly a Managing Principal and the CFO of Kepis & Pobe Financial Group Inc., where he was responsible for all aspects of the company's accounting, financing, treasury, tax, and legal affairs including overseeing the company's corporate development activities. Mr. Flanigan is also the Chief Financial Officer of African Energy Metals Inc., a publicly traded mining and exploration company developing gold, copper and cobalt resources in the Democratic Republic of the Congo. Prior to founding his own consulting company, Mr. Flanigan served as Senior Vice President, Corporate Development and CFO of Qwest Investment Management Corp., where he was responsible for regulatory reporting and corporate filings for over 15 private and publicly listed companies and limited partnerships in Qwest's portfolio, as well as arranging and closing numerous equity and debt financings. Mr. Flanigan also served as VP Corporate Development for Adelphia Communications Corporation, overseeing the company's financial restructuring and ultimate sale to Time Warner Inc. and Comcast Corporation for approximately US\$18 billion.

*Michael Carrick* – Mr. Carrick is a Chartered Accountant with over 30 years of experience in the resources sector. He holds a degree in Commerce from the University of Natal, and an Accounting and Finance degree from the University of the Witwatersrand, and is a member of the Institute of Chartered Accountants both in South Africa and in Australia. Mr. Carrick was a senior international partner of accounting firm Arthur Andersen. Mr. Carrick is currently Chairman of RTG Mining Inc. and has been responsible for the development of seven major gold mines in five countries around the world including the development of the largest gold mine in the Philippines.

*Paul Harbidge* – Mr. Harbidge is a geologist with over 26 years of experience and a proven track record in the discovery of world class gold deposits. He is currently the President and CEO of Faraday Copper Corp., where he is leading the company in advancing the copper porphyry project in Arizona. Mr. Harbidge was most recently the President and Chief Executive Officer of GT Gold and he led the company to a CA\$456 million acquisition by Newmont Mining Corp. in May 2021. Previously, he served as Senior Vice President of Exploration at Goldcorp Inc. from 2016 until its acquisition by Newmont Mining Corp. in April 2019. This experience has provided Mr. Harbidge with an understanding of the accounting principles used by the Company to prepare its financial statements. Mr. Harbidge's experience also allows him to analyze or evaluate the Company's financial statements.

### Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Board has not failed to adopt a recommendation of the Committee to nominate or compensate an external auditor.

### Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on, the following exemptions:

- (a) the exemption in section 2.4 (*De Minimis Non-audit Services*), which provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor;
- (b) the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), which provides an exemption from the requirements for the composition of the audit committee if a circumstance arises that affects the business or operations of the venture issuer, and a reasonable person would conclude that the circumstance can be best addressed by a member of the audit committee becoming an executive officer or employee of the venture issuer;
- (c) the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*), which provides an exemption from the requirements for the composition of the audit committee for if an audit committee member becomes a control person of the venture issuer or of an affiliate of the venture issuer for reasons outside the member's reasonable control;
- (d) the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*), which provides an exemption from the requirements for the composition of the audit committee if a vacancy on the audit committee arises as a result of the death, incapacity or resignation of an audit committee member and the Board is required to fill the vacancy; or
- (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemption*) of NI 52-110, which permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

### Pre-approval Policies and Procedures

The Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable the Committee, on a case-by-case basis.

### External Auditor Service Fees

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Company to its auditor in each of the last two fiscal years, by category, are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2022	\$85,802	-	-	-
2021	\$79,064	-	-	-

### Exemption

The Company is relying on section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

### ADDITIONAL INFORMATION

Additional information relating to the Company is available on the SEDAR website at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's comparative annual financial statements and management's discussion and analysis for its most recently completed financial year, and available online at [www.sedar.com](http://www.sedar.com). Shareholders may request additional copies by mail to Suite 650 – 669 Howe Street, Vancouver, British Columbia, Canada, V6C 0B4.

**DIRECTORS' APPROVAL**

The contents and the sending of the Notice of Meeting and this Information Circular have been approved by the Board.

**ON BEHALF OF THE BOARD OF DIRECTORS**

*John Proust*

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John Proust

Chief Executive Officer

**Schedule “A”**

**Charter of the Audit Committee of the Board of Directors  
of Japan Gold Corp. (the “Company”)**

*[See Attached]*



## **JAPAN GOLD CORP.**

### **AUDIT COMMITTEE CHARTER**

#### **Purpose**

The overall purpose of the Audit Committee (the “Committee”) of **Japan Gold Corp.** (formerly SKY RIDGE RESOURCES LTD. or the “Company”) is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company, and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board of Directors that through the involvement of the Committee, the external audit will be conducted independently of the Company's Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Company. The Committee will act as a liaison to provide better communication between the Board of Directors and the external auditors. The Committee will monitor the independence and performance of the Company's independent auditors.

#### **Composition, Procedures and Organization**

- (1) The Committee shall consist of at least three members of the Board of Directors (the “Board”).
- (2) At least two (2) members of the Committee shall be independent and the Committee shall endeavour to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is 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's financial statements.
- (3) The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- (4) Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
- (5) The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
- (6) The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
- (7) Meetings of the Committee shall be conducted as follows:



- (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
  - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
  - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
- (8) The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

### **Responsibilities and Duties**

- (9) The overall duties and responsibilities of the Committee shall be as follows:
- (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements and related financial disclosure;
  - (b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
  - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
  - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
- (10) The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
- (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
  - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
  - (c) review the audit plan of the external auditors prior to the commencement of the audit;
  - (d) to review with the external auditors, upon completion of their audit:
    - i. contents of their report;
    - ii. scope and quality of the audit work performed;
    - iii. adequacy of the Company's financial and auditing personnel;
    - iv. cooperation received from the Company's personnel during the audit;
    - v. internal resources used;



- vi. significant transactions outside of the normal business of the Company;
  - vii. significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
  - viii. the non-audit services provided by the external auditors;
- (e) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and
- (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
- (11) The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
  - (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
  - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
  - (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
- (12) The Committee is also charged with the responsibility to:
- (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
  - (b) review and approve the financial sections of:
    - i. the annual report to Shareholders;
    - ii. the annual information form, if required;
    - iii. annual and interim MD&A;
    - iv. prospectuses;
    - v. news releases discussing financial results of the Company; and
    - vi. other public reports of a financial nature requiring approval by the Board, and report to the Board with respect thereto;



- (c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
  - (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
  - (e) review and report on the integrity of the Company's consolidated financial statements;
  - (f) review the minutes of any Committee meeting of subsidiary companies;
  - (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
  - (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
  - (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.
- (13) The Committee shall have the authority:
- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties;
  - (b) to set and pay the compensation for any advisors employed by the Committee; and
  - (c) to communicate directly with the internal and external auditors.

### **Approved by the Board of Directors**

Adopted: November 23, 2016

Updated: October 20, 2022

Reviewed: August 24, 2023