

AU GOLD CORP.

Annual General Meeting
to be held on September 12, 2024

Notice of Annual General Meeting and Information Circular

ONLINE AT:

Join Zoom Meeting

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Passcode: 971257

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AU GOLD CORP.

410 - 325 Howe Street
Vancouver, B.C. V6C 1Z7

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Meeting**”) of the shareholders of Au Gold Corp. (the “**Company**”) will be held by Zoom meeting conference: <https://us02web.zoom.us/j/81607183905?pwd=kjs6zenAANMm05smdP7Kf3xfqVqLKW.1> (Meeting ID: 816 0718 3905; password: 971257) on Thursday, September 12, 2024 at 10:00 a.m. (local time in Vancouver, British Columbia). At the Meeting, the shareholders will receive the financial statements for the year ended March 31, 2024, together with the auditor’s report thereon, and consider resolutions to:

1. set the number of directors at three;
2. elect directors for the ensuing year;
3. appoint DeVisser Gray LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year and authorize the directors to determine the remuneration to be paid to the auditor;
4. confirm the Company’s stock option plan, as required annually by the policies of the TSX Venture Exchange; and
5. transact such other business as may properly be put before the Meeting.

Shareholders are reminded that no votes will be accepted at the Zoom Meeting. Shareholders who wish to ensure that their common shares will be voted, must complete, date and execute the enclosed form of proxy, or another suitable form of proxy, and deliver it by mail or by fax in accordance with the instructions set out in the form of proxy and in the management information circular accompanying this Notice. For greater clarity, proxies need to be received by Computershare Investor Services Inc. (“**Computershare**”). If a shareholder does not deliver a proxy to Computershare, Attention: Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, before the proxy cut-off date of 10:00a.m. Vancouver time on Tuesday, September 10, 2024. Only shareholders of record at the close of business on Wednesday, August 7, 2024 will be entitled to vote at the Meeting.

An information circular and a form of proxy accompany this notice.

DATED at Vancouver, British Columbia, the 7th day of August, 2024.

ON BEHALF OF THE BOARD

“Marc Blythe”

Marc Blythe
Director and Chief Executive Officer

AU GOLD CORP.

INFORMATION CIRCULAR

(As at August 7, 2024 except as indicated)

Au Gold Corp. (the "**Company**") is providing this management information circular (the "**Information Circular**") and a form of proxy in connection with management's solicitation of proxies for use at the annual general meeting (the "**Meeting**") of shareholders of the Company (the "**Shareholders**") to be held on September 12, 2024 and at any adjournments thereof. Unless the context otherwise requires, when we refer in this Information Circular to the Company, its subsidiaries are also included. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation. All amounts referred to as \$ or dollars means Canadian currency, unless otherwise indicated.

THE COMPANY IS HOLDING ITS MEETING BY ZOOM MEETING CONFERENCE ONLY. NO VOTES WILL BE ACCEPTED AT THE ZOOM MEETING CONFERENCE. SHAREHOLDERS WHO WISH TO ENSURE THAT THEIR COMMON SHARES WILL BE VOTED, MUST COMPLETE, DATE AND EXECUTE THE ENCLOSED FORM OF PROXY, OR ANOTHER SUITABLE FORM OF PROXY, AND DELIVER IT BY MAIL OR BY FAX IN ACCORDANCE WITH THE INSTRUCTIONS SET OUT IN THE FORM OF PROXY AND IN THE NOTICE ACCOMPANYING THIS CIRCULAR. FOR GREATER CLARITY, PROXIES NEED TO BE RECEIVED BY COMPUTERSHARE BEFORE THE PROXY CUT-OFF DATE.

APPOINTMENT OF PROXYHOLDER

The purpose of a proxy is to designate persons who will vote the proxy on a Shareholder's behalf in accordance with the instructions given by the Shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or directors of the Company (the "**Management Proxyholders**").

A Shareholder has the right to appoint a person other than a Management Proxyholder to represent the Shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a Shareholder.

VOTING BY PROXY

Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Common shares of the Company ("**Shares**") represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the notice of meeting accompanying this Information Circular (the "**Notice of Meeting**") in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

If a Shareholder does not specify a choice and the Shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 9th Floor, Toronto, Ontario M4J 2Y1, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

NON-REGISTERED HOLDERS

Only Shareholders whose names appear on the records of the Company as the registered holders of Shares or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders of the Company are "non-registered" Shareholders ("**Non-Registered Shareholders**") because the shares they own are not registered in their names but instead registered in the name of a nominee such as a brokerage firm through which they purchased the Shares; bank, trust company, trustee or administrator of self-administered RRSP's, RRIF's, RESP's and similar plans; or clearing agency such as The Canadian Depository for Securities Limited and in the United States, under the name Cede & Co., as nominee for the Depository Trust Company (which acts as a brokerage depository for many U.S. firms and custodial banks) (a "**Nominee**"). If you purchased your Shares through a broker, you are likely a Non-Registered Shareholder.

In accordance with securities regulatory policy, the Company has distributed copies of the Meeting materials, being the Notice of Meeting, this Information Circular and the Proxy, to the Nominees for distribution to non-registered holders.

Nominees are required to forward the Meeting materials to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of voting instruction or proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order to ensure that your Shares are voted at the Meeting.

If you, as a Non-Registered Shareholder, wish to vote at the Meeting in person (meaning attending the Meeting via Zoom), you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

Non-Registered Shareholders who have not objected to their Nominee disclosing certain ownership information about themselves to the Company are referred to as "non-objecting beneficial owners" ("**NOBOs**"). Those Non-Registered Shareholders who have objected to their Nominee disclosing ownership information about themselves to the Company are referred to as "objecting beneficial owners" ("**OBOs**").

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") of the Canadian Securities Administrators, the Company has elected to send the Meeting materials directly to NOBOs. If the Company or its agent has sent these materials directly to you (instead of through a Nominee), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominee holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Nominee holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions

The Company does not intend to pay for Nominees to deliver the Meeting materials. As a result, OBOs will not receive the Meeting materials unless their Nominee assumes the costs of delivery.

The Company is not sending the Meeting materials to Shareholders using "notice-and-access", as defined under NI 54-101.

REVOCABILITY OF PROXY

In addition to revocation in any other manner permitted by law, a Shareholder, his attorney authorized in writing or, if the Shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares without par value, of which **33,805,824** Shares are issued and outstanding. Persons who are registered Shareholders at the close of business on August 7, 2024 will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each Share held. The Company has only one class of shares.

To the knowledge of the directors and executive officers of the Company, no person beneficially owns, controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights attached to all Shares of the Company, except the following:

| <i>Name</i> | <i>No. of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly</i> | <i>Percentage of Outstanding Shares</i> |
|--------------------|--|--|
| Marc Blythe | 6,544,275 | 19.36% |

⁽¹⁾ 4,740,963 of these shares are held directly in the name of Marc Blythe and 1,803,312 shares held indirectly in the name of Malaspina Mining Solutions Ltd., a private company controlled by Marc Blythe.

ELECTION OF DIRECTORS

The directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

Shareholder approval will be sought to fix the number of directors of the Company at three (3).

Pursuant to the advance notice policy (the "**Advance Notice Policy**") of the Company, any additional director nominations for the Meeting must have been received by the Company in compliance with the Advance Notice Policy no later than the close of business on August 8, 2024.

The Company has an Audit Committee. Members of these committees are set out below.

Management of the Company proposes to nominate each of the following persons for election as a director. Information concerning such persons, as furnished by the individual nominees, is as follows:

| <i>Name, Jurisdiction of Residence and Position</i> | <i>Principal Occupation, Business or Employment and, if not a Previously Elected Director, Occupation, Business or Employment During the Past 5 Years</i> | <i>Previous Service as a Director</i> | <i>Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly⁽¹⁾</i> |
|--|--|--|--|
| Scott Trebilcock ⁽²⁾ British Columbia, Canada Director | Mining Executive | since December 21, 2020 | 400,000 ⁽³⁾ |
| Mark T. Brown ⁽²⁾ British Columbia, Canada Director | President, Pacific Opportunity Capital Ltd. and director of several public companies | since December 21, 2020 | 1,450,000 ⁽⁴⁾ |
| Marc Blythe ⁽²⁾ British Columbia, Canada Director, President and CEO | Mining Executive | Since March 15, 2021 | 6,544,275 ⁽⁵⁾ |

⁽¹⁾ Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at August 7, 2024, based upon information furnished to the Company by individual directors.

⁽²⁾ Member of the Audit Committee.

⁽³⁾ 400,000 shares held indirectly in the name of 1204008 BC Ltd., a private company controlled by Scott Trebilcock.

⁽⁴⁾ 650,000 of these shares are held directly in the name of Mark T. Brown and 800,000 shares held indirectly in the name of Pacific Opportunity Capital Ltd., a private company controlled by Mark T. Brown.

⁽⁵⁾ 4,740,963 of these shares are held directly in the name of Marc Blythe and 1,803,312 shares held indirectly in the name of Malaspina Mining Solutions Ltd., a private company controlled by Marc Blythe.

No proposed Director is to be elected under any arrangement or understanding between the proposed Director and any other person or company, except the Directors and executive officers of the Company acting solely in such capacity.

To the knowledge of the Company, other than noted below, no proposed director:

(a) is, as at the date of the Information Circular, or has been, within 10 years before the date of the Information Circular, a director, chief executive officer ("**CEO**") or chief financial officer ("**CFO**") of any company (including the Company) that:

(i) was subject, while the director was acting in the capacity as director, CEO or CFO of such company, to a cease trade or similar order or an order that denied the relevant

company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or

- (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the director was acting in the capacity as director, CEO or CFO of such company; or
- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director; or
- (d) 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
- (e) 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.

Mark Brown, a director and CEO of the Corporation, was formerly a director of Sutter Gold Mining Inc. ("SGM"), a company listed on the TSX Venture Exchange. Mr. Brown resigned as a director of SGM on May 21, 2019. On May 6, 2019, SGM received a cease trade order issued by the British Columbia Securities Commission for failure to file audited financial statements and Management's Discussion & Analysis for the year ended December 31, 2018. SGM's listing on the TSX Venture Exchange remains suspended until SGM meets TSX Venture Exchange's requirements and upon the revocation of the cease trade order. Pursuant to an order of the Supreme Court of British Columbia dated May 17, 2019, a receiver was appointed over all of the assets, undertakings and properties of SGM.

From August 9, 2018 until February 13, 2019, Mark Brown was a director of Ascent Industries Corp. ("Ascent"), a company listed on the Canadian Securities Exchange. On March 1, 2019, the Supreme Court of British Columbia issued an order granting Ascent's application for creditor protection under the Companies' Creditors Arrangement Act (Canada) to address near term liquidity issues. In March 2020, Ascent was discharged from CCAA protection and resumed trading on the Canadian Securities Exchange in May 2020 under the new name Luff Enterprises Ltd.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Definitions

For the purposes of the remainder of this information circular:

"**CEO**" means an individual who acted as chief executive officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**CFO**" means an individual who acted as chief financial officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**closing market price**" means the price at which the company's security was last sold, on the applicable date,

- (a) in the security's principal marketplace in Canada, or
- (b) if the security is not listed or quoted on a marketplace in Canada, in the security's principal marketplace;

"**company**" includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

"**equity incentive plan**" means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of IAS 2 Share-based payment of International Financial Reporting Standard ("**IFRS**");

"**grant date**" means a date determined for financial statement reporting purposes under IAS 2 of IFRS;

"**incentive plan**" means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

"**incentive plan award**" means compensation awarded, earned, paid, or payable under an incentive plan;

"**NEO**" or "named executive officer" means each of the following individuals:

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

"**non-equity incentive plan**" means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

"**option-based award**" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

"**plan**" includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons; and

"**share-based award**" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares,

restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

Director and Named Executive Officer Compensation

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth a summary of all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each Named Executive Officer and Director of the Company, for services provided and for services to be provided, directly or indirectly in any capacity, to the Company by such persons, for the two most recently completed financial years, excluding compensation securities:

| TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES | | | | | | | |
|--|-------------|--|-------------------|---------------------------------------|----------------------------------|---|--------------------------------|
| Name and Position | Year | Salary, Consulting Fee, Retainer or Commission (\$) | Bonus (\$) | Committee or Meeting Fees (\$) | Value of Perquisites (\$) | Value of all Other Compensation (\$) | Total Compensation (\$) |
| Garrett Ainsworth ⁽¹⁾ <i>Former Director</i> | 2024 | N/A | N/A | N/A | N/A | Nil | Nil |
| | 2023 | N/A | N/A | N/A | N/A | Nil | Nil |
| Scott Trebilcock ⁽¹⁾ <i>Director</i> | 2024 | N/A | N/A | N/A | N/A | Nil | Nil |
| | 2023 | N/A | N/A | N/A | N/A | Nil | Nil |
| Mark T. Brown ⁽¹⁾ <i>Director</i> | 2024 | N/A | N/A | N/A | N/A | Nil | Nil |
| | 2023 | N/A | N/A | N/A | N/A | Nil | Nil |
| Marc Blythe ⁽²⁾ <i>Director, President and CEO</i> | 2024 | 10,675 | N/A | N/A | N/A | Nil | 10,675 |
| | 2023 | 69,075 | N/A | N/A | N/A | Nil | 69,075 |
| Winnie Wong ⁽³⁾ <i>Chief Financial Officer and Corporate Secretary</i> | 2024 | 44,060 ⁽³⁾ | N/A | N/A | N/A | Nil | 44,060 |
| | 2023 | 61,841 ⁽³⁾ | N/A | N/A | N/A | Nil | 61,841 |
| William Wengzynowski ⁽⁴⁾ <i>Exploration Manager</i> | 2024 | 21,525 | N/A | N/A | N/A | Nil | 21,525 |
| | 2023 | 125,300 | N/A | N/A | N/A | Nil | 125,300 |

⁽¹⁾ Messers. Ainsworth, Trebilcock and Brown were appointed directors of the Company effective December 21, 2020. Mr. Ainsworth resigned on February 1, 2024.

⁽²⁾ Mr. Blythe was appointed President and Chief Executive Officer of the Company effective December 21, 2020 and a director on March 15, 2021.

⁽³⁾ Ms. Wong was appointed Chief Financial Officer and Corporate Secretary effective December 21, 2020. The fee charged by Pacific Opportunity Capital Ltd., a private company of which Winnie Wong is the Vice President, is for rent and accounting and management fees for a team of four people during financial year end.

⁽⁴⁾ Mr. Wengzynowski was appointed Exploration Manager effective December 21, 2020.

Stock Options and Other Compensation Securities

The following table sets forth a summary of all compensation securities held by each Director and Named Executive Officer in the most recently completed financial year ending March 31, 2024:

| 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 |
| Garrett Ainsworth ⁽¹⁾ <i>Former Director</i> | Options | 250,000 | December 21, 2020 | \$0.10 | \$0.10 | \$0.12 | December 21, 2025 |
| Scott Trebilcock <i>Director</i> | Options | 250,000 | December 21, 2020 | \$0.10 | \$0.10 | \$0.12 | December 21, 2025 |
| Mark T. Brown <i>Director</i> | Options | 250,000 | December 21, 2020 | \$0.10 | \$0.10 | \$0.12 | December 21, 2025 |
| Marc Blythe <i>Director, President and CEO</i> | Options | 500,000 | December 21, 2020 | \$0.10 | \$0.10 | \$0.12 | December 21, 2025 |
| Winnie Wong <i>Chief Financial Officer and Corporate Secretary</i> | Options | 250,000 | December 21, 2020 | \$0.10 | \$0.10 | \$0.12 | December 21, 2025 |
| William Wengzynowski <i>Exploration Manager</i> | Options | 250,000 | December 21, 2020 | \$0.10 | \$0.10 | \$0.12 | December 21, 2025 |

(1) Mr. Ainsworth resigned on February 1, 2024.

There were no compensation securities granted or issued to each Director and Named Executive Office by the Company or one of its subsidiaries in the most recently completed financial year.

Exercise of Compensation Securities

The following table sets forth a summary of all compensation securities exercised by each Director and Named Executive Officer in the most recently completed financial year ending March 31, 2024:

| Exercise of Compensation Securities by Directors and NEOs | | | | | | | |
|---|-------------------------------|---|----------------------------------|------------------|---|--|-----------------------------------|
| Name and Position | Type of Compensation Security | Number of underlying securities exercised | Exercise price per security (\$) | Date of exercise | Closing price per security on date of exercise (\$) | Difference between exercise price and closing price on date of exercise (\$) | Total value on exercise date (\$) |
| Garrett Ainsworth ⁽¹⁾ <i>Director</i> | Options | Nil | N/A | N/A | N/A | N/A | N/A |
| Scott Trebilcock <i>Director</i> | Options | Nil | N/A | N/A | N/A | N/A | N/A |
| Mark T. Brown <i>Director</i> | Options | Nil | N/A | N/A | N/A | N/A | N/A |

| | | | | | | | |
|---|---------|-----|-----|-----|-----|-----|-----|
| Marc Blythe <i>Director, President and CEO</i> | Options | Nil | N/A | N/A | N/A | N/A | N/A |
| Winnie Wong <i>Chief Financial Officer and Corporate Secretary</i> | Options | Nil | N/A | N/A | N/A | N/A | N/A |
| William Wengzynowski Exploration Manager | Options | Nil | N/A | N/A | N/A | N/A | N/A |

(1) Mr. Ainsworth resigned on February 1, 2024.

Employment, Consulting and Management Agreements

The Company has not provided compensation to any of its directors or Named Executive Officers during the most recently completed financial year for services performed by a director or Named Executive Officer pursuant to any written agreement. All compensation paid to its directors and Named Executive Officers (which is disclosed above) is paid pursuant to unwritten arrangements that do not provide for any other payments, other than base salary.

The Company does not have any arrangements or agreements with any director or Named Executive Officer nor provisions with respect to termination (whether voluntary, involuntary or constructive), resignation, retirement, severance, a change in control of the Company or a change in a Named Executive Officer's responsibilities.

Oversight and Description of Director and Named Executive Officer Compensation

In assessing the compensation of its Named Executive Officers, the Company does not have in place any formal objectives, criteria or analysis and compensation payable is currently determined by the Board.

As of the date of this Information Circular, the Board has not established any benchmark or performance goals to be achieved or met by Named Executive Officers; however, such Named Executive Officers are expected to carry out their duties in an effective and efficient manner so as to advance the business objectives of the Company. The satisfactory discharge of such duties is subject to ongoing monitoring by the Company's directors.

The Company's Named Executive Officer compensation during the most recently completed financial period ended March 31, 2024 was determined and administered by the Board. The Board was solely responsible for assessing the compensation to be paid to the Company's Named Executive Officers and for evaluating their performance.

As of the date hereof, base salary is the principal component of Named Executive Officer compensation. The base salary for each Named Executive Officer is based on the position held, the related responsibilities and functions performed by the executive and salary ranges for similar positions in comparable junior mining companies. Individual and corporate performance will also be taken into account in determining base salary levels.

Another component of Named Executive Officer compensation is the grant of stock options pursuant to the Company's Existing Plan. The objective of this compensation component is to attract, retain and motivate certain persons of training, experience and leadership as key service providers to the

Company, including its directors, Named Executive Officers and employees and to advance the interests of the Company by providing such persons with additional compensation and the opportunity to participate in the success of the Company.

In addition to, or in lieu of, the compensation components described above, payments may be made from time to time to individuals, including Named Executive Officers or directors of the Company, or companies they control for the provision of management or consulting services. Such services are paid for by the Company at competitive industry rates for work of a similar nature by reputable arm's length services providers.

There were no significant changes to the Company's compensation policies that were made during or after the most recently completed financial year that could or will have an effect on director or named executive officer compensation.

Except in their capacity as Named Executive Officers, currently no director of the Company receives any salary, and no other compensation (other than option grant) has been awarded to directors of the Company in the year ended March 31, 2024.

Pension Disclosure

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

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the Company's compensation plans under which equity securities are authorized for issuance as at March 31, 2024.

| <i>Plan Category</i> | <i>Number of securities to be issued upon exercise of outstanding options, warrants and rights</i> (a) | <i>Weighted-average exercise price of outstanding options, warrants and rights</i> (b) | <i>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</i> (c) |
|---|--|--|--|
| Equity compensation plans approved by securityholders | 2,400,000 | \$0.10 | 965,582 ⁽¹⁾ |
| Equity compensation plans not approved by securityholders | N/A | N/A | N/A |
| Total | 2,400,000 | | 965,582 |

⁽¹⁾ Represents the number of Shares remaining available for future issuance under stock options available for grant as of March 31, 2024 under the Plan. The maximum number of Shares which may be issued pursuant to options granted under the Plan is 10% of the issued and outstanding Shares at the time of grant.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Information Circular there was no indebtedness outstanding of any current or former director, executive officer or employee of the Company or its subsidiaries which is owing to the Company or its subsidiaries, or which is owing to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided

by the Company or its subsidiaries, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Company, no proposed nominee for election as a director of the Company and no associate of such persons:

- (i) is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or its subsidiaries; or
- (ii) is indebted to another entity, which indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries,

in relation to a securities purchase program or other program.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as set out herein, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company.

APPOINTMENT OF AUDITORS

DeVisser Gray LLP, Chartered Professional Accountants, of Vancouver, British Columbia are the auditors of the Company. DeVisser Gray LLP, Chartered Professional Accountants, were first appointed as auditors on December 21, 2020. Unless otherwise instructed, the proxies given pursuant to this solicitation will vote for the appointment of DeVisser Gray LLP as the auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the directors.

MANAGEMENT CONTRACTS

No management functions of the Company or its subsidiaries are performed or, since the start of the Company's most recently completed financial year, have been performed to any substantial degree by a person other than the directors or executive officers of the Company or its subsidiaries.

AUDIT COMMITTEE

National Instrument 52-110 *Audit Committees* ("**NI 52-110**") requires the Company to disclose annually in its management information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

The Audit Committee's Charter

The Company's audit committee charter is attached hereto as Schedule A.

Composition of the Audit Committee

The members of the Audit Committee are set out below:

| | | |
|------------------|--------------------------------|-------------------------------------|
| Scott Trebilcock | Independent ⁽¹⁾ | Financially literate ⁽²⁾ |
| Mark T. Brown | Independent ⁽¹⁾ | Financially literate ⁽²⁾ |
| Marc Blythe | Not independent ⁽¹⁾ | Financially literate ⁽²⁾ |

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth 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.

Relevant Education and Experience

Each member of the Company's Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting.

Scott Trebilcock: Mr. Trebilcock is the Chief Executive Officer and director of KORE Mining Ltd. (TSXV: KORE). Mr. Trebilcock holds a Master of Business Administration degree from Queen's University and is a Chartered Director (C.Dir.).

Mark T. Brown: Mr. Brown received a Bachelor of Commerce Degree from the University of British Columbia in 1990 and is a member of the Institute of Chartered Professional Accountants of British Columbia. He is currently President of POC, a private company which provides financial solutions, equity and management services to small and medium size entrepreneurial enterprises. Mr. Brown is an officer and director of a number of public and private companies and his corporate activities include transactions, financings and corporate financial planning. He is a founder of Rare Element Resources Ltd., which is listed on the Toronto Stock Exchange and the NYSE AMEX. Between 1990 and 1994, Mr. Brown worked with PricewaterhouseCoopers. He is currently a director and /or officer of various other public companies.

Marc Blythe: Mr. Blythe has a Master of Business Administration degree and has also completed the IIROC/TSX course on company disclosure. He has acted as a director and/or officer of numerous other publicly traded companies since 2007. He is a former Vice President of Mining for Almaden Minerals Ltd.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Audit Committee has not made any recommendations to the Board to nominate or compensate any auditor that was not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial period has the Company relied on the exemptions in Section 2.4 of NI 52-110 (De Minimis Non-audit Services) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-101. The Company is relying on the exemption in section 6.1 of NI 52-110 which exempts venture issuers from the requirements of Part 3 of NI 52-110 (Composition of the Audit Committee) and Part 5 (Reporting Obligations).

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance the provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services engaged by the Company. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairman of the Audit Committee deems is necessary and the Chairman will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Audit Committee's consideration and, if thought fit, approval in writing.

CORPORATE GOVERNANCE DISCLOSURE

National Policy 58-201 establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

Audit Fees

The following table sets forth the fees billed by DeVisser Gray LLP, Chartered Professional Accountants for the fiscal years ended March 31, 2023 and 2024, to the Company:

| | <u>2024</u> | <u>2023</u> |
|---|----------------------|----------------------|
| | (\$) | (\$) |
| Audit fees ⁽¹⁾ | 17,500 | 15,000 |
| Audit related fees ⁽²⁾ | 4,500 | 4,500 |
| Tax fees ⁽³⁾ | N/A | N/A |
| All other fees ⁽⁴⁾ | N/A | N/A |
| Total | <u>22,000</u> | <u>19,500</u> |

Notes:

- (1) "Audit fees" include aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit fees.
- (2) "Audited related fees" include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees" above. The services provided include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax fees" include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All other fees" include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above.

Exemption in Section 6.1

The Company is a "venture issuer" as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

Independence of Members of Board

The Company's Board consists of five (5) directors, four of whom are independent based upon the tests for independence set forth in NI 52-110.

Management Supervision by Board

The size of the Company is such that all the Company's operations are conducted by a small management team which is also represented on the Board. The Board considers that management is effectively supervised by the independent directors on an informal basis as the independent directors are actively and regularly involved in reviewing and supervising the operations of the Company and have regular and full access to management. The independent directors are also able to meet at any time without any members of management, including the non-independent directors, being present. Further supervision is performed through the Audit Committee (which is composed entirely of independent directors) who meet with the Company's auditors without management being in attendance.

Participation of Directors in Other Reporting Issuers

The following directors of the Company hold directorships in other reporting issuers as set out below:

- Marc Blythe is a director of Silver North Resources Ltd. and Banyan Gold Corp.

- Mark T. Brown is a director of Silver North Resources Ltd., Avrupa Minerals Ltd., Copper Fox Metals Inc., MTB Metals Corp., Green Bridge Metals Corporation, East West Petroleum Corp. and Mineral and Financial Investments Limited.

Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's business, assets and industry and on the responsibilities of directors. Meetings of the Board are sometimes held at the Company's offices and, from time to time, are combined with presentations by the Company's management to give the directors additional insight into the Company's business. In addition, management of the Company makes itself available for discussion with all members of the Board.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

Ethical Business Conduct

The Board does not currently have a written code of ethics. To date, given the Company's limited operations, the Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the obligations contained in corporate legislation regarding conflicts of interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience.

The Board does not have a nominating committee and these functions are currently performed by the Board as a whole; however, if there is a change in the number of directors required by the Company, this policy will be reviewed.

Compensation of Directors and the CEO

The Board is responsible for determining compensation for the directors of the Company to ensure it reflects the responsibilities and risks of being a director of a public company.

Other Board Committees

The Board has no committee other than the Audit Committee.

Assessments

Due to the minimal size of the Board of Directors, no formal policy has been established to monitor the effectiveness of the directors, the Board and its committees.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Confirming Stock Option Plan

Shareholders are being asked to confirm approval of the Stock Option Plan (the “Plan”) which was initially adopted by the directors of the Company on June 28, 2022. There have been no changes to the Stock Option Plan since it was adopted by the directors. The Stock Option Plan is subject to approval by the Exchange.

The information below is a summary of the Plan and should be read in conjunction with full text of the Plan which will be accessible on the Company’s SEDAR profile at www.sedar.com. Any definitions or capitalized terms used or referenced below have the same meaning attributed to them in the Plan.

The purpose of the Plan is to give to Eligible Persons as additional compensation, the opportunity to participate in the success of the Company by granting to such individuals Options, exercisable over periods of up to ten (10) years as determined by the board of directors of the Company, to buy shares of the Company at a price not less than the Market Price prevailing on the date the Option is granted less applicable discount, if any, permitted by the policies of the Exchanges and approved by the Board. The key terms of the Plan are reflected in the disclosure below.

| Key Term | Summary |
|-------------------------|---|
| Administration | The Board shall, without limitation, have full and final authority in their discretion, but subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations deemed necessary or advisable in respect of the Plan. Except as set forth in certain sections of the Plan and subject to any required prior Exchange approval, the interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company. |
| Number of Shares | <p>The maximum aggregate number of Shares that are issuable pursuant to security based compensation granted or issued under the Plan and all of the Company's other previously established or proposed security based compensation plans (to which the following limits apply under Exchange policies):</p> <p>(a) to all Optionees as a group (including for greater certainty Insiders (as a group) shall not exceed 10% of the total number of issued and outstanding Shares on a non-diluted basis at any point in time;</p> <p>(b) to Insiders (as a group) in any 12-month period shall not exceed 10% of the total number of issued and outstanding Shares on a non-diluted basis on the Grant Date, unless the Company has obtained the requisite disinterested shareholder approval pursuant to applicable Exchange policies;</p> <p>(c) to any one Optionee (including, where permitted under applicable policies of the Exchanges, any companies that are wholly owned by such Optionee) in any 12-month period shall not exceed 5% of</p> |

| Key Term | Summary |
|--------------------------------|---|
| | <p>the total number of issued and outstanding Shares on a non-diluted basis on the Grant Date, unless the Company has obtained the requisite disinterested shareholder approval pursuant to applicable Exchange policies.</p> <p>(d) to any one Consultant in any 12-month period shall not exceed 2% of the total number of issued and outstanding Shares on a non-diluted basis on the Grant Date;</p> <p>(e) to Investor Relations Service Providers (as a group) in any 12-month period shall not exceed 2% of the total number of issued and outstanding Shares on a non-diluted basis on the Grant Date, and Investor Relations Service Providers shall not be eligible to receive any security based compensation other than Options if the Shares are listed on the TSX Venture Exchange at the time of any issuance or grant; and</p> <p>(f) to Eligible Charitable Organizations (as a group) shall not exceed 1% of the total number of issued and outstanding Shares on a non-diluted basis on the Grant Date.</p> |
| Securities | Each Option entitles the holder thereof to purchase one Share at an exercise price determined by the Board. |
| Participation | Any directors, officers, Employees, Management Company Employees, Consultants and Eligible Charitable Organizations of the Company and its subsidiaries (collectively " Eligible Persons "). |
| Option Price | The Option Price under each Option shall be not less than the Market Price on the Grant Date less the applicable discount permitted under the policies of the Exchanges. |
| Exercise Period | The exercise period of an Option will be the period from and including the grant date up to 4:00 p.m. Pacific Time on the expiry date that will be determined by the Board at the time of grant (the " Expiry Date "), provided that the Expiry Date of an Option will be no later than the tenth anniversary of the Grant Date of the Option. |
| Cessation of Employment | <p>If an Optionee ceases to be an Eligible Person, his or her Option shall be exercisable as follows:</p> <p>(a) <u>Death or Disability</u> If the Optionee ceases to be an Eligible Person, due to his or her death or Disability or, in the case of an Optionee that is a company, the death or Disability of the person who provides management or consulting services to the Company or to any entity controlled by the Company, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of:</p> <ul style="list-style-type: none">(i) 365 days after the date of death or Disability; and(ii) the Expiry Date; <p>(b) <u>Termination For Cause</u> If the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person as a result of termination for cause as that term is interpreted by the courts of the jurisdiction in which the Optionee, or, in the case of a</p> |

| Key Term | Summary |
|----------------------------|---|
| | <p>Management Company Employee or a Consultant Company, of the Optionee's employer, is employed or engaged; any outstanding Option held by such Optionee on the date of such termination, whether in respect of Option Shares that are Vested or not, shall be cancelled as of that date.</p> <p>(c) <u>Early Retirement, Voluntary Resignation or Termination Other than For Cause</u></p> <p>If the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person due to his or her retirement at the request of his or her employer earlier than the normal retirement date under the Company's retirement policy then in force, or due to his or her termination by the Company other than for cause, or due to his or her voluntary resignation, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 90 days (30 days if the Optionee was engaged in Investor Relations Activities) after the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person.</p> |
| Acceleration Events | <p>If at any time when an Option granted under the Plan remains unexercised with respect to any Unissued Option Shares, an Offer is made by an offeror, the Board may, upon notifying each Optionee of full particulars of the Offer and subject to the approval of the Exchanges with respect to Investor Relations Service Providers, declare all Option Shares issuable upon the exercise of Options granted under the Plan, Vested, and declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer. The Board shall give each Optionee as much notice as possible of the acceleration of the Options under this section, except that not less than 5 business days notice is required and more than 30 days notice is not required</p> |
| Amendments | <p>The Board may from time to time, subject to applicable law and to the prior approval, if required, of the shareholders (or disinterested shareholders, if required), Exchanges or any other regulatory body having authority over the Company or the Plan, suspend, terminate or discontinue the Plan at any time, or amend or revise the terms of the Plan or of any Option granted under the Plan and the Option Agreement relating thereto, provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any Option previously granted to an Optionee under the Plan without the consent of that Optionee.</p> |

Accordingly, at the Meeting, the shareholders will be asked to pass the following resolution:

"IT IS RESOLVED THAT the Stock Option Plan is hereby approved and confirmed."

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com. Shareholders may contact the Company at (604-687-3520) to request copies of the Company's financial statements and MD&A.

Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year which are filed on SEDAR.

OTHER MATTERS

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Shares represented thereby in accordance with their best judgment on such matter.

DATED this 7th day of August, 2024.

APPROVED BY THE BOARD OF DIRECTORS

"Marc Blythe "

Marc Blythe

Director and Chief Executive Officer

Schedule A

Audit Committee Charter

AU GOLD CORP.

AUDIT COMMITTEE CHARTER

1. **Mandate**

The primary function of the audit committee (the “**Committee**”) is to assist the board of directors (the “**Board**”) of Au Gold Corp. (the “**Company**”) in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting and financial reporting processes. The Committee’s primary duties and responsibilities are to:

- (a) serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements;
- (b) review and appraise the performance of the Company’s external auditor;
- (c) provide an open avenue of communication among the Company’s auditor, financial and senior management and the Board; and
- (d) report regularly to the Board the results of its activities.

2. **Composition**

The Committee shall be comprised of a minimum three directors as determined by the Board, a majority of whom shall not be officers or employees of the Company or any of its affiliates. If the Company ceases to be a “venture issuer” (as that term is defined in Multilateral Instrument 52 - 110 – *Audit Committees*), then all of the members of the Committee shall be free from any material relationship with the Company that, in the opinion of the Board, would interfere with the exercise of their independent judgment as a member of the Committee.

If the Company ceases to be a venture issuer then all members of the Committee shall also have accounting or related financial management expertise. All members of the Committee should 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 reasonably be expected to be raised by the Company’s financial statements.

The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders’ meeting or until their successors are duly elected. Unless a chairperson (“**Chair**”) is elected by the full Board, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

3. **Meetings**

The Committee shall meet at least once quarterly, or more frequently as circumstances dictate or as may be prescribed by securities regulatory requirements. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer of the Company and the external auditor of the Company in separate sessions.

4. **Responsibilities and Duties**

To fulfill its responsibilities and duties, the Committee shall:

A. Documents/Reports Review

- (a) review and update this Audit Committee Charter annually;
- (b) review the Company’s financial statements, MD&A and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditor; and
- (c) review regular summary reports of directors and officers expense account claims at least annually, establish and review approval policies for expense reports and, as required, request audits of expense claims and policies for expense approval and reimbursements. The Chair of the Committee will be responsible for approving the expense reports of the President and the Chief

Executive Officer of the Company, and the Chief Executive Officer of the Company will be responsible for approving the expense reports of the directors and officers of the Company.

B. External Auditor

- (a) review annually, the performance of the external auditor who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;
- (b) obtain annually, a formal written statement of the external auditor setting forth all relationships between the external auditor and the Company;
- (c) review and discuss with the external auditor any disclosed relationships or services that may impact the objectivity and independence of the external auditor;
- (d) take, or recommend that the Board, appropriate action to oversee the independence of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (e) recommend to the Board the selection and, where applicable, the replacement of the external auditor nominated annually for shareholder approval;
- (f) recommend to the Board the compensation to be paid to the external auditor;
- (g) at each meeting, where desired, consult with the external auditor, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
- (h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;
- (i) review with management and the external auditor the audit plan for the year-end financial statements; and
- (j) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditor. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditor during the fiscal year in which the non-audit services are provided,
 - ii. such services were not recognized by the Company at the time of the engagement to be non-audit services, and
 - iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

C. Financial Reporting Processes

- (a) in consultation with the external auditor, review with management the integrity of the Company's financial reporting process, both internal and external;
- (b) consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- (c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditor and management;
- (d) review significant judgments made by management in the preparation of the financial statements

and the view of the external auditor as to appropriateness of such judgments;

- (e) following completion of the annual audit, review separately with management and the external auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- (f) review any significant disagreement among management and the external auditor in connection with the preparation of the financial statements;
- (g) review with the external auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- (h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- (i) review certification process;
- (j) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters;
- (k) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
- (l) on at least an annual basis, review with the Company's counsel, any legal matters that could have a significant impact on the Company's financial statements, the Company's compliance with applicable laws and regulations, and inquiries received from regulators or government agencies.

D. Authority

- (a) The Committee will have the authority to:
 - i. review any related-party transactions;
 - ii. engage independent counsel and other advisors as it determines necessary to carry out its duties;
 - iii. set and pay compensation for any independent counsel and other advisors employed by the Committee;
 - iv. communicate directly with the auditors; and
 - v. conduct and authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain independent counsel and other professionals to assist in the conduct of any investigation.