



## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN that the Annual General and Special Meeting (the “Meeting”) of the shareholders of Hanstone Gold Corp. (the “Company”) will be held at Suite 600-1090 West Georgia Street Vancouver, BC V6E 3V7 Canada on Friday June 7, 2024, at 10:00 a.m. (PST) to consider resolutions as noted below.**

**The Meeting is to be held to consider resolutions for the following purposes:**

1. To receive and consider the comparative financial statements of the Company for the financial year ended December 31, 2023, together with the report of the auditor thereon;
2. To appoint an auditor for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditor;
3. To set the number of directors at five (5);
4. To elect directors for the ensuing year;
5. To approve a new 10% rolling stock option plan to replace the Company’s existing stock option plan, as described in the accompanying Information Circular;
6. To approve the re-pricing of certain issued and outstanding stock options of the Company, as described in the accompanying Information Circular; and
7. To transact such other business as may properly be put before the Meeting.

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

The audited financial statements of the Company for the year ended December 31, 2023, the report of the auditor and the related management discussion and analysis will be made available at the Meeting and are available on [www.sedarplus.ca](http://www.sedarplus.ca).

Shareholders who are unable to attend the Meeting are requested to complete, sign, date and return the enclosed proxy. A proxy will not be valid unless it is deposited by mail or by fax at the office of Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 8th Floor, Toronto, ON M5J 2Y1 (Fax: Within North America: 1-866-249-7775, Outside North America: (416) 263-9524) not less than 48 hours (excluding Saturdays and holidays) before the time fixed for the Meeting or an adjournment thereof. Only shareholders of record on May 3, 2024, are entitled to receive notice of and vote at the Meeting.

**DATED** at Vancouver, British Columbia this 3<sup>rd</sup> day of May, 2024

**BY ORDER OF THE BOARD OF DIRECTORS OF  
HANSTONE GOLD CORP.**

/s/ “*Raymond Marks*”

**Chief Executive Officer**

**HANSTONE GOLD CORP.**  
Suite 1100-1111 Melville Street  
Vancouver, BC V6E 3V6  
Tel: (236) 521-6520

**INFORMATION CIRCULAR**  
as at May 3, 2024,  
(except as otherwise indicated)

This Information Circular is furnished in connection with the solicitation of proxies by the management of **HANSTONE GOLD CORP.** for use at the Annual General and Special Meeting (the “**Meeting**”) of its shareholders (the “**Shareholders**”) to be held on June 7, 2024, at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

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

**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 and officers of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

**Appointment of Proxyholders**

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

**Voting by Proxyholder**

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

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

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

**Registered Shareholders**

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

- (a) complete, date and sign the Proxy and return it to the Company’s transfer agent, Computershare Investor Services Inc. (“**Computershare**”): by fax within North America at 1-866-249-7775, outside North

America at (416) 263-9524; or by mail to the 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; or by hand delivery at 3<sup>rd</sup> Floor, 510 Burrard Street, Vancouver, British Columbia, Canada V6C 3B9;

- (b) use a touch-tone phone to transmit voting choices to a toll-free number. Registered Shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll-free number, the holder's account number and the control number; or
- (c) use the internet through the website of the Company's transfer agent at [www.investorvote.com](http://www.investorvote.com). Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the control number.

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

### **Beneficial Shareholders**

**The following information is of significant importance to Beneficial Shareholders.** Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of the Shareholder's broker or an agent of that broker (an "**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).

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

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

The Company is taking advantage of the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable Voting Instruction Form ("**VIF**") from our transfer agent. These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting as described on the VIF itself which contain complete instructions at the Meeting with respect to the shares represented by the VIFs they receive.

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

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

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

The form of proxy supplied to you by your broker will be similar to the proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common

Shares on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in the United States and in Canada. Broadridge mails a VIF in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company’s Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right, you should insert the name of the desired representative (which may be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge’s instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting, and the appointment of any Shareholder’s representative.

**If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted at the Meeting and to vote your Common Shares at the Meeting.**

### **Notice to United States Shareholders**

The solicitation of proxies is not subject to the requirements of Section 14(a) of the U.S. Exchange Act by virtue of an exemption applicable to proxy solicitations by foreign private issuers as defined in Rule 3b-4 of the U.S. Exchange Act. Accordingly, this Circular has been prepared in accordance with applicable Canadian disclosure requirements. Residents of the United States should be aware that such requirements differ from those of the United States applicable to proxy statements under the U.S. Exchange Act.

This document does not address any income tax consequences of the disposition of the Company’s shares by Shareholders. Shareholders in a jurisdiction outside of Canada should be aware that the disposition of shares by them may have tax consequences both in those jurisdictions and in Canada and are urged to consult their tax advisors with respect to their particular circumstances and the tax considerations applicable to them.

Any information concerning any properties and operations of the Company has been prepared in accordance with Canadian standards under applicable Canadian securities laws and may not be comparable to similar information for United States companies.

Financial statements included or incorporated by reference herein have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and are subject to auditing and auditor independence standards in Canada. Such consequences for the Shareholders who are resident in, or citizens of, the United States may not be described fully in this Information Circular.

The enforcement by Shareholders of civil liabilities under the United States federal securities laws may be affected adversely by the fact that the Company is incorporated or organized under the laws of a foreign country, that some or all of their officers and directors and the experts named herein are residents of a foreign country and that the major assets of the Company are located outside the United States.

### **Revocation of Proxies**

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

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder’s authorized attorney in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare or to the address of the registered office of the Company at #600- 1090 West Georgia Street Vancouver BC V6E 3V7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the Registered Shareholder’s Common Shares. A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

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

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

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

The board of directors (the “**Board**”) of the Company has fixed May 3, 2024 as the record date (the “**Record Date**”) for determination of persons entitled to receive notice of the Meeting. Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Company is listed on the TSX Venture Exchange (the “**TSX-V**”) under stock symbol “HANS”. The Company also trades on the Frankfurt Stock Exchange under the symbol “HGO”

**The authorized capital of the Company consists of an unlimited number of Common Shares. As of the date hereof, there were 51,043,125 Shares issued and outstanding, each carrying the right to one vote. No group of Shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.**

As of the date hereof, the directors, insiders, and executive officers of the Company, as a group, owned beneficially, directly or indirectly, or exercised control or direction over, 22,145,500 Common Shares representing approximately 43.39% of the outstanding Common Shares.

To the knowledge of the directors and executive officers of the Company, as at May 3, 2024, no person or corporation beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company other than those noted below:

Name and Municipality of Residence	Type of Ownership	Number of Common Shares	Percentage owned
Bob Hans Surrey, BC	Direct	20,183,500	39.54%

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

### **1. FINANCIAL STATEMENTS**

The audited financial statements of the Company for the year ended December 31, 2023, the report of the auditor thereon and the related management’s discussion and analysis will be filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) prior to the Meeting date and will be tabled and made available at the Meeting.

**No approval or other action needs to be taken at the Meeting in respect of these documents.**

### **2. APPOINTMENT AND REMUNERATION OF AUDITOR**

Shareholders are being asked to approve an ordinary resolution appointing SHIM & Associates LLP, Chartered Professional Accountants, as auditor of the Company to hold office until the close of the next Annual General Meeting of the Shareholders, at a remuneration to be fixed by the Board. In order to be effective, the ordinary resolution requires the approval of the majority of the votes cast at the Meeting in respect of the resolution.

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the resolution appointing Shim & Associates LLP, Chartered Professional Accountants, as auditor of the**

**Company until the close of the next Annual General Meeting and authorizing the Board to fix their remuneration.**

### 3. NUMBER OF DIRECTORS

Shareholders will be asked at the Meeting to approve an ordinary resolution to fix the number of directors of the Company at five (5). The Board recommends a vote "FOR" the approval of the resolution to fix the number of directors at five (5).

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the resolution to fix the number of directors at five (5).**

### 4. ELECTION OF DIRECTORS

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

The following table sets out the names of management's five (5) nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, the principal occupation, business or employment of each director nominee, the period of time during which each nominee has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at May 3, 2024.

Name of Nominee; Current Position with the Corporation and Province or State and Country of Residence	Principal Occupation <sup>(1)</sup>	Current Position(s) with the Corporation	Director Since	Number of Common Shares beneficially owned, directly, or indirectly, or controlled or directed <sup>(1)</sup>
<b>ANDRE DOUCHANE</b> Corrales, New Mexico, USA	Mining engineer with 40 years of experience operating, managing, building, and revitalizing mining operations worldwide. He has served on several mining industry boards including as CEO and subsequently as Chairman of North American Palladium Ltd. and is currently the CEO and Director for BBX Minerals Ltd.	Executive Chairman & Director	August 12, 2020	Nil
<b>BOB HANS</b> <sup>(2)</sup> Surrey, BC, Canada	Businessman, entrepreneur. President of the Hans Group, which owns and operates businesses in commercial real estate, mining & quarry operations, sand & gravel supplies, and trucking & earth works.	Director	October 11, 2018	20,183,500
<b>JAMES ENGDAHL</b> <sup>(2)</sup> Saskatoon, Saskatchewan, Canada	Officer and director of several public mining companies over the last 30 years. Currently Executive Chairman of the Board of Aurex Energy Corp. and the CEO of MAS Gold Corp.	Director	August 12, 2020	Nil
<b>GARY BILLINGSLEY</b> <sup>(2)</sup> Saskatoon, Saskatchewan, Canada	Professional Engineer, and non-practicing Chartered Professional Accountant. Director and officer of several public mining companies over the last 35 years. Currently President of Aurex Energy Corp.; director of Wescan Goldfields Inc. and director of Thunderbird	Director	November 23, 2021	Nil

Name of Nominee; Current Position with the Corporation and Province or State and Country of Residence	Principal Occupation <sup>(1)</sup>	Current Position(s) with the Corporation	Director Since	Number of Common Shares beneficially owned, directly, or indirectly, or controlled or directed <sup>(1)</sup>
	Resources Limited, all public resource companies.			
ROBERT QUINN Houston, Texas, USA	Independent businessman with over 40 years of legal, executive and public board experience in the international mining industry. Various positions with the Company since October 2018. Currently a director of Hansco Capital Corp., Ocumetics Technology Corp and Constellation Capital Corp.	Vice President and Director	February 7, 2023	100,000

## Notes:

1. The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years.
2. Member of Audit Committee

None of the proposed nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and senior officers of the Company acting solely in such capacity.

### Cease Trade Order, Bankruptcies, and Insolvency

Except as described herein, no director or proposed director:

- a) is, as at the date of this Circular, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including Hanstone) that was subject to a cease trade order 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 (an “order”) while that person was acting in that capacity; or was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in that capacity; or
- b) has within the 10 years before the date hereof, become a 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.

Mr. Engdahl and Mr. Billingsley are directors of Aurex Energy Corp., currently under a Cease Trade Order issued by the Alberta Securities Commission August 7, 2020, for failing to file financial statements and related management’s discussion and analysis by the required deadline, due in part to the ongoing COVID-19 pandemic and cross-border issues. The Cease Trade Order remains in effect as the company continues to work at resolving outstanding issues.

Robert J. Quinn was a director of Mercator Minerals Inc. (“Mercator”). On August 26, 2014, Mercator filed a Notice of intention to make a proposal under the Bankruptcy and insolvency Act (Canada) (the “BIA”). Mr. Quinn ceased to be a director on September 4, 2014. Pursuant to section 50.4(8) of the BIA, Mercator was deemed to have filed an assignment in bankruptcy on September 5, 2014 as a result of allowing the ten-day period within which Mercator was required to submit a cash flow forecast to the Official Receiver to lapse.

Mr. Quinn was a director of Great Western Minerals Group Ltd. (“GWMG”). On April 30, 2015, GWMG was granted protection from its creditors under the *Companies’ Creditors Arrangement Act* (Canada) (the “CCAA”) upon receiving an initial order from the Court. On May 11, 2015, an order was issued by the Financial and Consumer Affairs Authority of the Province of Saskatchewan that all trading in the securities of GWMG be ceased due to its failure to file financial statements for the year ended December 31, 2014.

Mr. Quinn was a director of North American Palladium Ltd. (“NAP”) prior to the completion of the recapitalization transaction that was completed on August 6, 2015 and approved at a meeting of the convertible debentureholders of NAP and at an annual and special meeting of shareholders of NAP on July 30, 2015. The recapitalization was accomplished by way of a plan of arrangement and resulted in the issuance of shares in exchange for debt, among other things.

### **Advance Notice Provision**

The Company’s Articles include an advance notice provision (the “**Advance Notice Provision**”). The Advance Notice Provision provides for advance notice to the Company in circumstances where nominations of persons for election to the Board are made by Shareholders of the Company other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the *Business Corporations Act* (British Columbia) or (ii) a Shareholder proposal made pursuant to the provisions of the *Business Corporations Act* (British Columbia).

The purpose of the Advance Notice Provision is to foster a variety of interests of the Shareholders and the Company by ensuring that all Shareholders - including those participating in a meeting by proxy rather than in person - receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. Among other things, the Advance Notice Provision fixes a deadline by which holders of Common Shares must submit director nominations to the Company prior to any annual or special meetings of Shareholders and sets forth the minimum information that a Shareholder must include in the notice to the Company for the notice to be in proper written form.

The Advance Notice Provision also requires all proposed director nominees to deliver a written representation and agreement that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person’s term in office as a director.

The foregoing is merely a summary of the Advance Notice Provision, is not comprehensive and is qualified by the full text of such provision in the Company’s Articles, which is available under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **About the Directors**

**Andre Douchane – Executive Chairman & Director** - Mr. Douchane is a mining engineer with 40 years of experience operating, managing, building, and revitalizing mining operations worldwide. After 14 years with ASARCO, Incorporated, including as Manager of the Coeur Mine near Wallace, Idaho, Mr. Douchane became VP and GM of Round Mountain Gold Corp in the late 1980’s to see it through a major reconstruction - taking it from a 160,000-ounce gold producer to over 400,000 ounces produced in 1990. As Vice President of Operations for Battle Mountain Gold Company he was responsible for several operating mines and development projects worldwide. Mr. Douchane also directed the small team that permitted, engineered, and put the Midas Mine into production for Franco-Nevada Mining Corp. under budget and six months early. He has served on several mining industry boards including as CEO and subsequently as Chairman of North American Palladium Ltd. and is currently the CEO and Director for BBX Minerals Ltd.

**Bob Hans – Director** - Mr. Hans is an entrepreneur and business leader with an investment background in real estate and industrial properties. Mr. Hans is the founder of ‘The Hans Group’ which houses a collection of businesses that have operated in British Columbia for the past 40 years. The Hans Group includes mining and quarry extraction operations, sand & gravel supplies, gravel trucking, earth works, and commercial real estate holding companies as a part of its portfolio.

**James Engdahl – Director** - Mr. Engdahl has been an officer and director of several public mining companies over the last 30 years. Over the last number of years, he has been heavily involved in developing mine-to-market strategies for strategic and critical metals. With a background in corporate finance, specializing in mergers and acquisitions, he has successfully financed many projects in Canada. Mr. Engdahl is currently Chairman of the Board of Aurex Energy Corp. and the CEO of MAS Gold Corp.

**Gary Billingsley – Director** - Mr. Billingsley is a professional engineer and geoscientist, and a Chartered Professional Accountant (non-practising), with more than 40 years’ experience in the mineral industry—most of those years in Saskatchewan. Mr. Billingsley has been an officer and director of several public mining and mineral



exploration companies during the past 35 years. In addition to experience with uranium and base-metal exploration, He has been directly involved with putting Saskatchewan's largest gold mine into production and has played a major role in the discovery of diamond-bearing kimberlite in Saskatchewan. For much of the last 20 years, Mr. Billingsley has been involved in developing strategic metal deposits including the vertical integration of related downstream manufacturing. He is currently the CEO, President and director of Aurex Energy Corp., and is a director of Wescan Goldfields Inc and Thunderbird Resources Limited, all public resource companies, and is Chief Operating Officer of Canadian Energy Metals Corp., a private company working in Saskatchewan.

**Robert Quinn – Vice President and Director** – Mr. Quinn is an independent businessman with over 40 years of diverse board, management, and legal experience in the international mining industry. He has extensive corporate governance, environmental, transactional, M&A, financing, contract, development, compliance and litigation experience with companies developing and operating numerous mines and conducting exploration programs. He is the former General Counsel of Battle Mountain Gold Company. He has acted as counsel for and has served on the boards of numerous mining companies including as the non-executive Chairman of the Board of Mercator Minerals Ltd., North American Palladium Ltd., Great Western Minerals Group Ltd. and eCobalt Solutions Inc. He was also formerly a director of Tudor Gold Corp. He is currently a director of Hansco Capital Corp., Constellation Capital Corp. and Ocumetics Technology Corporation.

At the Meeting, the above persons will be nominated for election as director as well as any person nominated pursuant to the Advance Notice Provision (see above). A Shareholder can vote for all of the above nominees, vote for some of the above nominees and withhold for other of the above nominees, or withhold for all of the above nominees. Only persons nominated by management pursuant to this Information Circular or pursuant to the Advance Notice Provision will be considered valid director nominees eligible for election at the Meeting.

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the election of each of the proposed nominees set forth above as directors of the Company.**

## **5. APPROVAL OF THE NEW STOCK OPTION PLAN**

The Company has a stock option plan previously approved by the Shareholders of the Company on February 3, 2023 (the “**Old Plan**”). Following a review by the Board of the Old Plan, to ensure compliance with TSX-V policies the Board has concluded that it is advisable to replace the Old Plan with an updated 10% “rolling plan”, pursuant to which the number of Common Shares that may be reserved automatically increases or decreases as the number of issued and outstanding Common Shares of the Company increases or decreases.

Consequently, on May 3, 2024, the Board, subject to the approval of the shareholders of the Company and final approval of the TSX-V, adopted a new 10% rolling stock option plan attached as Schedule “B” to this Information Circular (the “**New Plan**”).

Upon shareholder approval of the New Plan and receipt of final approval of the TSX-V, the Old Plan will be cancelled and the 3,704,000 stock options currently issued under the Old Plan will be governed by the New Plan.

As is the case with the Old Plan, the purpose of the New Plan is to advance the interests of the Company and its shareholders by attracting, retaining and motivating the performance of selected directors, officers, employees or consultants of the Company (each, a “**Participant**”) of high caliber and potential and to encourage and enable such persons to acquire and retain a proprietary interest in the Company by ownership of its stock. The New Plan provides that, subject to the requirements of the TSX-V, the aggregate number of securities reserved for issuance, set aside and made available for issuance under the New Plan may not exceed 10% of the issued and outstanding shares of the Company at the time of granting of options (subject to deductions for stock options currently outstanding pursuant to the Old Plan). The aggregate number of Common Shares reserved for issuance pursuant to stock options granted to any one Participant, other than a consultant, in any 12 month period may not exceed 5% of the Company's total issued and outstanding Common Shares calculated on the date of grant, unless disinterested shareholder approval is obtained. The aggregate number of Common Shares issuable pursuant to stock options granted to insiders at any point in time pursuant to the New Plan and other security based compensation arrangements may not exceed 10% of the Company's total issued and outstanding Common Shares calculated on the date of grant, unless disinterested shareholder approval is obtained. The aggregate number of Common Shares issued to insiders pursuant to the New Plan and other security based compensation arrangements in any 12 month period may not exceed 10% of the Company's total issued and outstanding Common Shares calculated on the date of grant, unless disinterested shareholder approval is obtained. The number of Common

Shares which may be reserved in any 12-month period for issuance to any one consultant may not exceed 2% of the issued and outstanding Shares and the maximum number of Common Shares which may be reserved in any 12-month period for issuance to all persons engaged in investor relations activities may not exceed 2% of the issued and outstanding Common Shares of the Company. The New Plan provides that options granted to any person engaged in investor relations activities will vest in stages over 12 months with no more than  $\frac{1}{4}$  of the stock options vesting in any three-month period.

The New Plan will be administered by the Board or a special committee of directors, either of which will have full and final authority with respect to the granting of all stock options thereunder. Stock options may be granted under the New Plan to such directors, officers, employees or consultants of the Company, as the Board of directors may from time to time designate.

Subject to applicable TSX-V approval, the exercise price of any stock options granted under the New Plan shall be fixed by the Board at the time the Option is granted to a Participant. In no event shall the price be less than the Discounted Market Price (as defined in the policies of the TSX-V). If a press release fixing the price is not issued, the Discounted Market Price is the closing price per Common Share on the TSX-V on the last trading day preceding the date of grant on which there was a closing price (less the applicable discount) or, if the Common Shares are not listed on any stock exchange, a price determined by the Board; provided that, if the Board, in its sole discretion, determines that the closing price on the last trading day preceding the date of grant would not be representative of the market price of the Common Shares, then the Board may base the price on the greater of the closing price and the weighted average price per share for the Common Shares for five (5) consecutive trading days ending on the last trading day preceding the date of grant on which there was a closing price on the TSX-V. The weighted average price shall be determined by dividing the aggregate sale price of all Common Shares sold on the TSX-V during the said five (5) consecutive trading days, by the total number of Common Shares so sold.

The term of any stock options granted under the New Plan shall be determined by the Board at the time of grant but, subject to earlier termination in the event of termination or in the event of death, the term of any stock options granted under the New Plan may not exceed ten years. Options granted under the New Plan are not to be transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

Subject to certain exceptions, in the event of a Participant ceasing to be a director, officer, employee or consultant of the Company, the Participant's stock options may be exercised at any time up to and including (but not after) the earlier of: (a) the expiry date of the stock options; and (b) the date that is ninety (90) days (or such other period as may be determined by the Board, provided that such period is not more than one year) following the effective date of such cessation, and subject to such shorter period as may be otherwise specified in the stock option agreement. Notwithstanding the foregoing, in the event of termination for cause, a Participant's stock options shall expire and terminate immediately at the time of delivery of notice of termination of employment for cause to the Participant by the Company and shall be of no further force or effect whatsoever as to the Common Shares in respect of which such stock options have not previously been exercised. In the event of the death of a Participant on or prior to the expiry date of any of such Participant's stock options, such stock options may be exercised as to such of the Common Shares in respect of which such stock options have not previously been exercised (and as the Participant would have been entitled to purchase), by the legal personal representatives of the Participant at any time up to and including (but not after) a date one (1) year from the date of death of the Participant, after which date the stock options shall forthwith expire and terminate and be of no further force or effect whatsoever.

Subject to any specific requirements of the TSX-V, the Board shall determine the vesting period or periods respecting any stock options, during which a Participant may exercise such stock options or a portion thereof. In the event that certain events such as a liquidation or dissolution of the Company or a re-organization, plan of arrangement, merger or consolidation of the Company with one or more corporations, as a result of which the Company is not the surviving corporation, or the sale by the Company of all or substantially all of the property and assets of the Company to another corporation prior to the expiry of any stock options, are proposed or contemplated, the Board may, notwithstanding the terms of the New Plan or any stock option agreements issued under the New Plan, exercise its discretion, by way of resolution, to permit accelerated vesting of stock options (subject to the prior written approval of the TSX-V if the original vesting condition is mandatory under the policies of the TSX-V, including without limitation respecting any stock options granted to a person engaged to conduct investor relations activities for the Company) on such terms as the Board sees fit at that time.

Except for any stock options granted to a Participant engaged to conduct investor relations activities, subject to

TSX-V approval a stock option agreement may provide that whenever the Company's shareholders receive a take-over bid and the Company supports this bid, pursuant to which the "offeror" would, as a result of such take-over bid being successful, beneficially own in excess of 50% of the outstanding Common Shares, the Participant shall have the right (the "**Acceleration Right**") to exercise all of its stock options, including any stock options not otherwise vested at such time. If the take-over bid is unsuccessful and the stock options haven't expired in the interim, the original vesting terms of the stock options shall be reinstated, unless the Board extends the Acceleration Right for such longer period.

In accordance with the rules of the TSX-V, the New Plan must be approved by a majority of the votes cast by Shareholders at the Meeting. To be approved, the affirmative vote of a majority of the votes cast on the resolution is required. The Board believes the New Plan provides incentive to and enables the Company to better align the interests of the Company's directors and officers with those of the Company's shareholders. The Board recommends that shareholders vote for the resolution approving the New Plan. *In the absence of instructions to the contrary, the enclosed proxy will be voted FOR the approval of the New Plan.*

The text of the resolution approving the New Plan is as follows, subject to any amendments, variations or additions as may be approved at the Meeting:

**"BE IT RESOLVED THAT:**

1. subject to the approval of the TSX Venture Exchange, the adoption of the Company's new 10% rolling stock option plan is hereby approved, confirmed and ratified; and
2. any officer or director of the Company is hereby authorized and directed, for and on behalf of the Company, to do all things and execute and deliver all such agreements, documents and instruments necessary or desirable in connection with the foregoing resolution."

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the resolution approving the New Plan.**

## **6. REPRICING OF STOCK OPTIONS**

Due to a significant drop in the trading price of the Common Shares on the TSX-V, certain of the outstanding stock options previously granted by the Company ("**Options**") no longer offer an adequate incentive to directors, officers, employees and consultants of the Company as currently priced. Recognizing that Options grants are a critical element of the Company's compensation policy, the Board is of the view that it is in the best interests of the Company to reprice certain of the outstanding Options granted to certain directors, officers and consultants of the Company, to ensure the exercise price of the Options is more in line with the current market price of the Common Shares.

Therefore, the Board has resolved that, subject to approval of the TSX-V and approval of the Shareholders by way of disinterested Shareholder approval at the Meeting, outstanding Options held by certain directors, officers and consultants of the Company be repriced from between \$0.18 and \$0.58 per Common Share, as applicable, to \$0.10 per Common Share.

Pursuant to the policies of the TSX-V, the Company's Old Plan and the Company's New Plan, the repricing of the Options requires disinterested Shareholder approval. Disinterested Shareholder approval is the approval by a majority of the votes cast on the ordinary resolution by all Shareholders at the Meeting, excluding the votes attached to Common Shares beneficially owned by persons holding Options subject to such repricing. Accordingly, at the Meeting, the Company's disinterested Shareholders will be asked to consider, and if thought fit, to pass with or without amendment, an ordinary resolution as follows (the "**Repricing Resolution**").

**"BE IT RESOLVED THAT:**

1. The repricing of an aggregate of 2,954,000 stock options exercisable for common shares of Hanstone Gold Corp. previously granted to directors, officers and consultants as set out below, including the price therefor, or such other price as may be acceptable to the TSX Venture Exchange, be and is hereby ratified, confirmed and approved:

Optionees	Date of Original Grant	Number of Options	Original Exercise Price	Amended Exercise Price
Directors, Officers and Consultants	Aug. 19, 2020	1,120,000	\$0.20	\$0.10
Consultants	Dec. 8, 2020	150,000	\$0.58	\$0.10
Directors, Officers and Consultants	Jan. 29, 2021	875,000	\$0.40	\$0.10
Consultant	Sept. 1, 2021	100,000	\$0.40	\$0.10
Directors, Officers and Consultants	June 8, 2022	709,000	\$0.18	\$0.10

2. Any one director or officer of the Company is authorized and directed on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments, and do all such other acts and things that may be necessary or desirable to give effect to the foregoing resolutions.”

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the resolution approving repricing of the Options. An affirmative vote of a majority of the votes cast by disinterested shareholders at the meeting is sufficient for the approval of the Repricing Resolution.**

## 7. OTHER BUSINESS

While there is no other business other than that business mentioned in the Notice of Meeting to be presented for action by the Shareholders at the Meeting, **it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.**

### STATEMENT OF EXECUTIVE COMPENSATION

For the purposes of this Executive Compensation disclosure:

“**Compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries;

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

- each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer (“**CEO**”), including an individual performing functions similar to a CEO;
- each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer (“**CFO**”), including an individual performing functions similar to a CFO;
- in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, for that financial year;
- each individual who would be a named executive officer under paragraph (c) 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.

#### **Director and Named Executive Officer Compensation**

During financial year ended December 31, 2023, based on the definition above, the NEOs of the Company were: Andre Douchane, Executive Chairman and Director, Raymond Marks, President and CEO, Robert Quinn, Vice President and Director and Roger Jewett, CFO. The directors who were not NEOs during the financial year ended December 31, 2023 were Gary Billingsley, Bob Hans and James Engdahl.

#### **Table of Compensation, Excluding Compensation Securities in Financial Year ended December 31, 2023**

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and directors of the Company for the two completed financial years ended December 31, 2023, and 2022. Options and compensation securities are disclosed under the heading “**Stock Options and Other Compensation Securities**” in this Information Circular.

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 (\$)
Raymond Marks President and CEO	2023	180,000	Nil	Nil	Nil	Nil	180,000
	2022	180,000	Nil	Nil	Nil	15,174	195,174
Robert Quinn <sup>(1)</sup> Vice President and Director	2023	36,000	Nil	Nil	Nil	Nil	36,000
	2022	76,000	Nil	Nil	Nil	11,380	87,380
Bob Hans Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	7,587	7,587
Andre Douchane <sup>(2)</sup> Executive Chairman and Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	11,380	11,380
James Engdahl Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	7,587	7,587
Gary Billingsley Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	22,760	22,760
Dong Shim <sup>(3)</sup> , Former CFO	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	16,500	Nil	Nil	Nil	Nil	16,500
Roger Jewett <sup>(4)</sup> CFO	2023	91,300	Nil	Nil	Nil	16,164	107,464
	2022	31,500	Nil	Nil	Nil	Nil	31,500

Notes:

- (1) Mr. Quinn was appointed as Vice President and Director on February 7, 2023.
- (2) Mr. Douchane was appointed as the Executive Chairman on February 7, 2023.
- (3) Mr. Shim was appointed as CFO on April 21, 2022 and resigned on May 17, 2022. Fees paid to Shim were paid to a corporation owned by him. Jewett was appointed as CFO on May 25, 2022. Fees paid to Jewett were paid to a corporation owned by him.
- (4) Mr. Jewett was appointed as CFO on February 7, 2023.

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

### Elements of the Compensation Program

Executive compensation is set to attract and retain the best available talent while efficiently utilizing available resources. The Company compensates executive management with a package typically including a base salary (“**Base Salary**”), an incentive compensation plan (“**Incentive Compensation**”) and equity compensation (the “**Equity Compensation**”) designed to be competitive with comparable employers. In considering executive management’s compensation, the Board takes into consideration the financial condition of the Company. The Base Salary is set in comparison to the comparable positions in the market and in the industry, the Incentive Compensation is used as a short-term incentive to achieve Company objectives, and the Equity Compensation is designed to allow the participants to enjoy the benefits of any increase in company valuation and share price, should such an increase occur. Executive compensation is designed to reward activities and achievements that are aligned with the long-term interests of the Company’s Shareholders.

The Base Salary, Incentive Compensation and Equity Compensation for the Company’s NEOs, including the CEO and the CFO, is determined by the Board. The Board sets the compensation of the NEOs using generally available market data and their combined industry experience. The Board delegates to the NEOs the responsibility to set the compensation packages for all other senior management and staff.

The Board is responsible for executive and director compensation, including reviewing and recommending director compensation, overseeing the Company’s base compensation structure and equity- based compensation program, recommending compensation of the Company’s officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives.

The Board also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Company's senior management. The Board reviews the compensation of senior management on an annual basis taking into account compensation paid by other issuers of similar size and activity.

### Philosophy and Objectives

The Company is a junior exploration company with limited resources. The compensation program for the senior management of the Company is designed within this context with a view that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining qualified executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning their interests with those of the Company's Shareholders.

In compensating its senior management, the Company has employed a combination of base salary and equity participation through its stock option plan (described below). Recommendations for senior management compensation are presented to the Board for review.

### Base Salary or Consulting Fees

In the Board's view, paying base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Company operates is a first step to attracting and retaining qualified and effective executives.

Base salary ranges for the executive officers were initially determined upon a review of companies within the mineral exploration industry, which were of the same size as the Company, at the same stage of development as the Company and considered comparable to the Company.

In determining the base salary of an executive officer, the Board considers the following factors:

- (a) the particular responsibilities related to the position;
- (b) salaries paid by other companies in the oil producing industry which were similar in size as the Company;
- (c) the experience level of the executive officer;
- (d) the amount of time and commitment which the executive officer devotes to the Company; and
- (e) the executive officer's overall performance and performance in relation to the achievement of corporate milestones and objectives.

### Bonus Incentive Compensation

The Company's objective is to achieve certain strategic objectives and milestones. The Board considers executive bonus compensation dependent upon the Company meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation dependent upon compensation levels based on recommendations of the CEO. Such recommendations are generally based on information provided by issuers that are similar in size and scope to the Company's operations.

### Equity Participation

The Company believes that encouraging its executives and employees to become Shareholders is the best way of aligning their interests with those of its Shareholders. Equity participation is accomplished through the Company's stock option plan. Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The amounts and terms of options granted are determined by the Board. Due to the Company's limited financial resources, the Company emphasizes the provisions of option grants to maintain executive motivation.

### **Compensation Review Process**

#### Risks Associated with the Company's Compensation Program

The Board has not considered the implications of any risks to the Company associated with decisions regarding the Company's compensation program. The Company intends to formalize its compensation policies and practices

and will take into consideration the implications of the risks associated with the Company's compensation program and how it might mitigate those risks.

The Company did not retain a compensation consultant during financial year ending December 31, 2023.

#### Benefits and Perquisites

The Company does not, as of the date of this Information Circular, offer any benefits or perquisites to its NEOs other than potential grants of incentive stock options as otherwise disclosed and discussed herein.

#### Hedging by Directors or NEOs

The Company has not, to date, adopted a policy restricting its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by executive officers or directors. The Company is not, however, aware of any directors or officers having entered into this type of transaction.

As of the date of this Information Circular, entitlement to grants of incentive stock options under the Company's stock option plan are the only equity security elements awarded by the Company to its executive officers and directors.

#### **Stock Options and other Compensation Securities**

The following table sets forth incentive stock options (option-based awards) pursuant to the Company's stock option plan that were issued to NEOs and directors of the Company during the financial year ended December 31, 2023.

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
Roger Jewett CFO	Stock Options	200,000	Feb. 8, 2023	\$0.10	\$0.095	\$0.035	Feb. 8, 2028

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

The Old Plan provides, and the New Plan will provide, eligible directors, officers, employees and consultants with the opportunity to acquire an ownership interest in the Company, and they are the basis for the Company's long-term incentive scheme. The New Plan has not been previously approved by the shareholders of the Company. See "Particulars of Matters to be Acted Upon – 5. Approval of the New Stock Option Plan" for further information respecting the New Plan.

#### **Employment, Consulting and Management Agreements**

The Company is party to employment, consulting and management agreements or arrangements with certain of the Company's current directors and NEOs. Raymond Marks receives consulting fees of \$15,000 per month as the CEO of the Company, Robert Quinn receives \$3,000 per month as the VP of the Company and Roger Jewett receives \$7,500 per month as the CFO of the Company (paid to a corporation owed by Mr. Jewett).

#### **Pension Disclosure**

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

#### **Securities Authorized for Issuance Under Equity Compensation Plans**

The Company has one equity compensation plan approved by Shareholders of the Company, being the Old Plan. The following table sets out equity compensation plan information as at the date of this Information Circular:

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders	3,704,000	\$0.237	1,400,312
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
<b>Total</b>	<b>3,704,000</b>	<b>\$0.237</b>	<b>1,400,312</b>

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

National Instrument 52-110 of the Canadian Securities Administrators (“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 in the following:

#### **The Audit Committee’s Charter**

The Company’s Audit Committee Charter is attached as Schedule “A” to this Information Circular.

#### **General**

The Audit Committee is responsible for reviewing the Company’s financial reporting procedures, internal controls and the performance of the financial management and external auditor of the Company. The Audit Committee also reviews the annual and interim financial statements and makes recommendations to the Board.

As the Company is a “venture issuer” (as defined in NI 52-110), it is relying on the exemptions provided to it under section 6.1 of NI 52-110 with respect to the composition of the Audit Committee and with respect to Audit Committee reporting obligations. At no time since the commencement of the Company’s most recently completed financial year has the Company relied on the exemption 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 52-110.

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee Charter under the heading “Responsibilities”. At no time since the commencement of the Company’s most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

The Audit Committee is comprised of James Engdahl, Gary Billingsley and Bob Hans, all of whom are “financially literate” and two of whom are “independent”, as those terms are defined in NI 52-110. The education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member, and in particular the education or experience that provides each member with (i) an understanding of the accounting principles used by the Company to prepare its financial statements, (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions, (iii) 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, and (iv) an understanding of internal controls and procedures for financial reporting, is as follows:

James Engdahl	Mr. Engdahl has been an officer and director of several public mining companies over the last 30 years.
Bob Hans	Mr. Hans is an accomplished businessman, entrepreneur as well as the President of the Hans Group, which owns and operates businesses in commercial real estate, mining & quarry operations, sand & gravel supplies, and trucking & earth works.



Gary Billingsley Mr. Billingsley is a Chartered Professional Accountant (currently non-practising) and a member of CPA Saskatchewan. Over the last 35 years he has served on the Audit Committee of several public companies.

### ***Audit Committee Oversight***

At December 31, 2023, the Audit Committee did not make any recommendations to the Board to nominate or compensate any auditor other than Shim & Associates LLP Chartered Professional Accountant (the “**Auditor**”).

At December 31, 2023, the Auditor did not provide any material non-audit services.

### **Pre-Approval Policies and Procedures**

Refer to the Company’s Audit Committee Charter, attached as Schedule “A” to this Information Circular, for specific policies for the engagement of non-audit services.

### **External Auditor Service Fees**

The Audit Committee has reviewed the nature and amount of the non-audited services provided by the Auditor to ensure auditor independence. Fees incurred with the Auditor for audit and non-audit services in the last two fiscal years ended December 31 are outlined in the following table:

<b>Nature of services</b>	<b>Fees paid to Shim &amp; Associates LLP, Chartered Professional Accountant for year ended December 31, 2023</b>	<b>Fees paid to A Chan and Company LLP, Chartered Professional Accountant for year ended December 31, 2022</b>
Audit fees <sup>(1)</sup>	\$15,000	\$15,446
Audit-related fees <sup>(2)</sup>	\$Nil	\$Nil
Tax fees <sup>(3)</sup>	\$Nil	\$Nil
All Other Fees <sup>(4)</sup>	\$Nil	\$Nil
<b>Total</b>	<b>\$15,000</b>	<b>\$15,446</b>

Notes:

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

### **Exemption**

The Company is relying on the exemption provided in section 6.1 of NI 52-110 *Audit Committees* as the Company is a “venture issuer” and is exempt from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110.

## **CORPORATE GOVERNANCE**

### **General**

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of Shareholders and help to contribute to effective and efficient decision-making.

## Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

There are no special structures or processes in place to facilitate the functioning of the directors of the Company independently of management. However, the independent directors are given full access to management so that they can develop an independent perspective and express their views and communicate their expectations of management.

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is any relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgement.

## Directorships

The directors who are currently serving on boards of other reporting companies (or equivalent) are set out below:

Name of Director	Name of Reporting Company and Exchange listed
Bob Hans	Hansco Capital Corp. (TSX-V)
Andre Douchane	None
James Engdahl	Aurex Energy Corp. (TSX-V) Arizona Gold & Silver Inc. (TSX-V)
Gary Billingsley	Aurex Energy Corp. (TSX-V) Wescan Goldfields Inc. (TSX-V) Valor Resources Limited (ASX)
Robert Quinn	Hansco Capital Corp. (TSX-V) Constellation Capital Corp. (TSX-V) Ocumetics Technology Corp. (TSX-V)

## Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company’s properties, business, technology and industry and on the responsibilities of directors.

Board meetings may also include presentations by the Company’s management and employees to give the directors additional insight into the Company’s business.

## Ethical Business Conduct

The Company has not adopted a policies or codes of business conduct and ethics at this time. Given the experience of the Board, and their prior dealings, the Company, at this point in time, is not taking any additional steps to encourage and promote a culture of ethical business conduct.

## Nomination of Directors

In fulfilling its oversight responsibilities for the nominations to the Board, the Board shall: 1) establish criteria for selecting new directors which shall reflect, among other facts, a candidate’s integrity and business ethics, strength of character, judgment, experience, and independence, as well as factors relating to the composition of the Board, including its size and structure, the relative strengths and experience of current Board members and principles of diversity; 2) consider and recruit candidates to fill new positions on the Board; 3) review any candidate recommended by the Shareholders of the Company; 4) be responsible for conducting appropriate inquiries to establish a candidate’s compliance with the independent and other qualification requirements established by the Board; 5) assess the contributions of current directors in connection with the annual recommendation of a slate of

nominees and at that time review the criteria for Board candidates in the context of the evaluation process and other perceived needs of the Board; and 6) recommend the director nominees for election by the Shareholders.

### **Compensation**

The Board intends to: 1) review and approve on an annual basis the corporate goals and objectives relevant to the CEO's compensation; 2) evaluate at least once a year the CEO's performance in light of established goals and objectives and, based on such evaluation, shall, together with all other independent members of the Board, determine and approve the CEO's annual compensation, including, as appropriate, salary, bonus, incentive, and equity compensation; 3) review and approve on an annual basis the evaluation process and compensation structure for the Company's executive officers, including parameters for salary adjustments (at the discretion of the CEO) for officers are established; and 4) review and make recommendations to the Board with respect to the adoption, amendment, and termination of the Company's management incentive-compensation and equity-compensation plans, oversee their administration and discharge any duties imposed on this Committee by any of those plans.

### **Other Board Committees**

The Board has formally appointed one standing committee: the Audit Committee.

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

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

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than set out in this Information Circular, no informed person of the Company, any proposed director of the Company, or any associate or affiliate of any informed person or proposed director, has 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 has materially affected or would materially affect the Company or any of its subsidiaries.

### **MANAGEMENT CONTRACTS**

There are no management functions of the Company which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

### **ADDITIONAL INFORMATION**

Additional information concerning the Company is available through the Internet on SEDAR+ which may be accessed under the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca) or may be obtained by a Shareholder upon request without charge from the Company at Suite 1100 - 1111 Melville St., Vancouver, British Columbia, V6E 3V6; Tel: (236) 521-6520.

### **OTHER MATTERS**

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

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

**DATED** at Vancouver, British Columbia, May 3, 2024

**BY ORDER OF THE BOARD OF DIRECTORS OF  
HANSTONE GOLD CORP.**

/s/ "*Raymond Marks*"

Chief Executive Officer

## SCHEDULE "A"

### Hanstone Gold Corp. Audit Charter

#### PURPOSE

The primary function of the Audit Committee is to assist the Board of Directors of the Company (the "**Board**") in fulfilling its oversight responsibilities by reviewing the financial information to be provided to the shareholders and others, the systems of internal controls and management information systems established by the senior officers of the Company ("**Management**") and the Company's internal and external audit process and monitoring compliance with the Company's legal and regulatory requirements with respect to its financial statements.

The Audit Committee is accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Audit Committee is expected to maintain an open communication between the Company's external auditors and the Board.

The Audit Committee does not plan or perform audits or warrant the accuracy or completeness of the Company's financial statements or financial disclosure or compliance with generally accepted accounting procedures as these are the responsibility of Management.

#### RESPONSIBILITIES

Subject to the powers and duties of the Board, the Board hereby delegates to the Audit Committee the following powers and duties to be performed by the Audit Committee on behalf of and for the Board. Nothing in this Charter is intended to or does confer on any member a higher standard of care or diligence than that which applies to the directors as a whole.

##### *External Auditors*

The Audit Committee has primary responsibility for the selection, appointment, dismissal, compensation and oversight of the external auditors, subject to the overall approval of the Board. For this purpose, the Audit Committee may consult with Management.

The external auditors shall report directly to the Audit Committee.

Also, the Audit Committee:

- a. recommends to the Board:
  - i. whether the current external auditors should be nominated for reappointment for the ensuing year and if applicable, select and recommend a suitable alternative for nomination; and
  - ii. the amount of compensation payable to the external auditors;
- b. resolves disagreements, if any, between Management and the external auditors regarding financial reporting;
- c. provides the Board with such recommendations and reports with respect to the financial statements of the Company as it deems advisable;
- d. takes reasonable steps to confirm the independence of the external auditors, including but not limited to pre-approving any non-audit related services provided by the external auditors to the Company or the Company's subsidiaries, if any;
- e. confirms that the external auditors are a 'participating audit' firm for the purpose of National Instrument 52-108 *Auditor Oversight* and are in compliance with governing regulations;
- f. reviews the plan and scope of the audit to be conducted by the external auditors of the Company;
- g. reviews and evaluates the performance of the external auditors; and
- h. reviews and approves the Company's hiring policy regarding partners, employees and former partners and employees of the Company's present and former external auditors.

##### *Audit and Review Process and Results*

The Audit Committee has a duty to receive, review and make any inquiry regarding the completeness, accuracy and presentation of the Company's financial statements to ensure that the financial statements fairly present the financial position and risks of the organization and that they are prepared in accordance with generally accepted accounting principles. To accomplish this, the Audit Committee:

- a. considers the scope and general extent of the external auditors' review, including their engagement letter and major changes to the Company's auditing and accounting principles and practices;
- b. consults with management regarding the sufficiency of the Company's internal system of audit and financial controls, internal audit procedures and results of such audits;
- c. ensures the external auditors have full, unrestricted access to required information and have the cooperation of management;

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- d. reviews with the external auditors the audit process and standards, as well as regulatory or Company-initiated changes in accounting practices and policies and the financial impact thereof, and selection or application of appropriate accounting principles;
  - e. reviews with the external auditors and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the financial statements;
  - f. reviews the appropriateness and disclosure of any off-balance sheet matters;
  - g. reviews disclosure of related party transactions;
  - h. receives and reviews with the external auditors, the external auditors' audit report and the audited financial statements;
  - i. makes recommendations to the Board respecting approval of the audited financial statements;
  - j. meets with the external auditors separately from management to review the integrity of the Company's financial reporting, including the clarity of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates, any significant disagreements or difficulties in obtaining information, adequacy of internal controls over financial reporting, adequacy of disclosure controls and procedures, and the degree of compliance by the Company with prior recommendations of the external auditors;
  - k. directs management to implement such changes as the Audit Committee considers appropriate, subject to any required approvals of the Board arising out of the review; and
  - l. meets at least annually with the external auditors, independent of management, and reports to the Board on such meetings.

### ***Interim Financial Statements***

The Audit Committee:

- a. reviews and determines the Company's practice with respect to review of interim financial statements by the external auditors;
- b. conducts all such reviews and discussions with the external auditors and Management as it deems appropriate; and
- c. makes recommendations to the Board respecting approval of the interim financial statements.

### ***Involvement with Management***

The Audit Committee has primary responsibility for overseeing the actions of management in all aspects of financial management and reporting. The Audit Committee:

- a. reviews the Company's annual and interim financial statements, Management's Discussion and Analysis and earnings press releases, if any, before the Company publicly discloses this information;
- b. reviews all of the Company's public disclosure of financial information extracted from the Company's financial statements, if such financial statements have not previously been reviewed by the Committee, prior to such information being made public by the Company and for such purpose, the CFO assumes responsibility for providing the information to the Audit Committee for its review;
- c. reviews material financial risks with Management, the plan that Management has implemented to monitor and deal with such risks and the success of Management in following the plan;
- d. consults annually and otherwise as required with the Company's CEO and CFO respecting the adequacy of the internal controls over financial reporting and disclosure controls and procedures and reviews any breaches or deficiencies;
- e. obtains such certifications of annual and interim filings by the CEO and CFO attesting to internal controls over financial reporting and disclosure controls and procedures as deemed advisable;
- f. reviews Management's response to significant written reports and recommendations issued by the external auditors and the extent to which such recommendations have been implemented by Management;
- g. reviews with Management the Company's compliance with applicable laws and regulations respecting financial reporting matters, and any proposed regulatory changes and their impact on the Company; and
- h. reviews as required with Management and approves disclosure of the Audit Committee Charter, and Audit Committee disclosure required in the Company's Annual Information Form, Information Circular and on the Company's website.

### **PROCEDURAL MATTERS**

The Audit Committee:

- a. invites the Company's external auditors, the CFO, and such other persons as deemed appropriate by the Audit Committee to attend meetings of the Audit Committee;
- b. reports material decisions and actions of the Audit Committee to the Board, together with such recommendations as the Audit Committee may deem appropriate;
- c. has the power to conduct or authorize investigations into any matter within the scope of its responsibilities;
- d. has the right to engage independent counsel and other advisors as it determines necessary to carry out its duties and the right to set the compensation for any advisors employed by the Audit Committee;

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- e. has the right to communicate directly with the CFO and other members of Management who have responsibility for the internal and external audit process, as well as to communicate directly with the internal and external auditors; and
  - f. pre-approves non-audit services to be performed by the external auditors in accordance with the provisions of National Instrument 52-110 - *Audit Committees* (“NI 52-110”).

## **COMPOSITION**

The Audit Committee is composed of a minimum of three directors, a majority of whom are independent, subject to any exemptions or relief that may be granted from such requirements under NI 52-110 and have relevant skills and/or experience in the Audit Committee's areas of responsibility as may be required by the securities laws applicable to the Company, including those of any stock exchange on which the Company's securities are traded.

### ***Appointment of Committee Members and Vacancies***

Members of the Audit Committee are appointed or confirmed by the Board annually and hold office at the pleasure of the Board. The Board fills any vacancy on, and may appoint any additional members to, the Audit Committee.

### ***Committee Chair***

The Board appoints a Chair for the Audit Committee.

## **STRUCTURE AND OPERATIONS**

### ***Meetings***

The Chair of the Audit Committee or the Chair of the Board or any two of its members may call a meeting of the Audit Committee. The Audit Committee meets at least four times each fiscal year, and at such other times during each year as it deems appropriate.

### ***Quorum***

A majority of the members appointed to the Audit Committee constitutes a quorum.

### ***Notice of Meetings***

The Chair of the Audit Committee arranges to provide notice of the time and place of every meeting in writing (including by electronic means) to each member of the Audit Committee at least two (2) business days prior to the time fixed for such meeting, provided, however, that a member may in any manner waive a notice of a meeting. Attendance of a member at a meeting constitutes a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. The Chair also ensures that an agenda for the meeting and all required materials for review by the members of the Audit Committee are delivered to the members with sufficient time for their review, or that such requirement is waived.

### ***Absence of Committee Chair***

If the Chair of the Audit Committee is not present at any meeting of the Audit Committee, the other members of the Audit Committee will choose a Chair to preside at the meeting.

### ***Secretary of Committee***

At each meeting the Audit Committee appoints a secretary who need not be a director of the Company.

### ***Attendance of the Company's Officers at Meetings***

The Chair of the Audit Committee or any two members of the Audit Committee may invite one or more officers of the Company to attend any meeting of the Audit Committee.

### ***Delegation***

The Audit Committee may, in its discretion and where permitted by NI 52-110, delegate all or a portion of its duties and responsibilities to a subcommittee, management or, to the extent otherwise permitted by applicable plans, laws or regulations, to any other body or individual.

### ***Procedure and Records***

Subject to any statute or constating documents of the Company, the Audit Committee determines its own procedures at meetings and may conduct meetings by telephone and keeps records of its proceedings.

## **COMPLAINTS**

The Audit Committee has established a whistle-blower policy as detailed in the Code of Business Conduct and Ethics and Whistle Blower Policy which sets out the procedures for:

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- a. the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
  - b. the confidential, anonymous submission to the Company of concerns regarding questionable accounting or auditing matters.

The Audit Committee reviews the whistle-blower policy annually.

#### **REPORTING AND ASSESSMENT**

The Audit Committee reports to the Board of Directors, and on an annual basis, presents to the Board a Committee Annual Report consisting of the Audit Committee's review of its charter, the Committee's and its Chair's performance over the past year, and any recommendations the Audit Committee makes in respect thereto.

## SCHEDULE "B"

### HANSTONE GOLD CORP.

#### STOCK OPTION PLAN

##### 1. Purpose of the Plan

The purpose of the Plan is to provide the Participants with an opportunity to purchase Common Shares and benefit from the appreciation thereof. This proprietary interest in the Company will provide an increased incentive for the Participants to contribute to the future success and prosperity of the Company, thus enhancing the value of the Common Shares for the benefit of all the shareholders and increasing the ability of the Company and its Subsidiaries to attract and retain individuals of exceptional skill.

##### 2. Defined Terms

2.1 Where used herein, the following terms shall have the following meanings (all other capitalized terms used and not defined herein shall have the meanings ascribed to them in the TSX Venture Exchange Corporate Finance Manual):

- (a) **"Acceleration Right"** means the Participant's right, in certain circumstances, to exercise its outstanding Option as to all or any of the Common Shares in respect of which such Option has not previously been exercised and which the Participant is entitled to exercise, including in respect of Common Shares not otherwise vested at such time;
- (b) **"Board"** means the board of directors of the Company;
- (c) **"Business Day"** means each day other than a Saturday, Sunday or statutory holiday in British Columbia, Canada;
- (d) **"Common Shares"** means the common shares in the capital of the Company or, in the event of an adjustment contemplated by Article 8 hereof, such shares to which a Participant may be entitled upon the exercise of an Option as a result of such adjustment;
- (e) **"Company"** means Hanstone Gold Corp., and includes any successor corporation thereof;
- (f) **"Exchange"** means the TSX Venture Exchange or, if the Common Shares are not then listed and posted for trading on the TSX Venture Exchange, then on any stock exchange in Canada on which such shares are listed and posted for trading or any other regulatory body having jurisdiction as may be selected for such purpose by the Board;
- (g) **"Exercise Notice"** means the notice in writing signed by the Participant or the Participant's legal personal representatives addressed to the Company specifying an intention to exercise all or a portion of the Option;
- (h) **"Expiry Time"** means the time at which the Options will expire, being 4:00 p.m. (Vancouver time) on a date to be fixed by the Board at the time the Option is granted, which date will not be more than ten years from the date of grant;
- (i) **"Fair Market Value"** means, for the purposes of sections 4.5 and 9.4 hereof, at any date in respect of the Common Shares, the closing price of the Common Shares as reported by the Toronto Stock Exchange on the last trading day immediately preceding such date or, if the Common Shares are not listed on any stock exchange, a price determined by the Board;



- (j) **"Insider"** has the meaning ascribed thereto in the Exchange Corporate Finance Manual;
- (k) **"Option"** means an option to purchase Common Shares from treasury granted by the Company to a Participant, subject to the provisions contained herein;
- (l) **"Option Price"** means the price per share at which Common Shares may be purchased under the Option, as the same may be adjusted herein;
- (m) **"Participants"** means the directors, officers and employees of, and consultants to, the Company or its Subsidiaries, as defined by the relevant Exchange and, subject to compliance with the applicable requirements of the Exchange, the Personal Holding Companies of such persons, to whom an Option has been granted by the Board pursuant to the Plan and which Option or a portion thereof remains unexercised;
- (n) **"Personal Holding Company"** means a company of which 100% of the voting shares are beneficially owned, directly or indirectly, by a director, officer or employee of, or consultant to, the Company or its Subsidiaries and such entity shall be bound by the Plan in the same manner as if the Options were held directly;
- (o) **"Plan"** means this stock option plan of the Company, as the same may be amended or varied from time to time;
- (p) **"Subsidiary"** means any corporation that is a subsidiary of the Company, as such term is defined under the *Business Corporations Act* (British Columbia), as such provision is from time to time amended, varied or re-enacted, or a "related entity" as defined in section 2.22 of National Instrument 45-106; and
- (q) **"Take-Over Bid"** has the meaning ascribed thereto in the *Securities Act* (British Columbia), as such provision is from time to time amended, varied or re-enacted.

### 3. Administration of the Plan

3.1 The Board shall administer this Plan. Options granted under the Plan shall be granted in accordance with determinations made by the Board pursuant to the provisions of the Plan as to: (a) the Participants to whom and the time or times at which the Options will be granted; the number of Common Shares which shall be the subject of each Option; (b) any vesting provisions attaching to the Option; and (c) the terms and provisions of the respective stock option agreements, provided however, that each director, officer, employee or consultant shall have the right not to participate in the Plan and any decision not to participate therein shall not affect the employment by or engagement with the Company. The Board shall ensure that Participants under the Plan are eligible to participate under the Plan, and, if required by the Exchange, shall represent and confirm that the Participant is a bona fide employee, consultant or management company employee (as defined in the policies of the Exchange).

3.2 The Board may, from time to time, adopt such rules and regulations for administering the Plan as it may deem proper and in the best interests of the Company and may, subject to applicable law, delegate its powers hereunder to administer the Plan to a committee of the Board (the "**Committee**"). The Committee shall be comprised of two or more members of the Board who shall serve at the pleasure of the Board. Vacancies occurring on the Committee shall be filled by the Board.

3.3 The Committee (or the Board where the Committee has not been constituted) shall have the power to delegate to any member of the Board or officer so designated (the "**Administrator**"), the power to determine which Participants are to be granted Options and to grant such Options, the number of Common

Shares purchasable under each Option, the Option Price and the time or times when and the manner in which Options are exercisable, and the Administrator shall make such determinations in accordance with the provisions of this Plan and with applicable securities and stock exchange regulatory requirements, subject to final approval by the Committee or Board.

#### **4. Granting of Option**

4.1 Participants may be granted Options from time to time. The grant of Options will be subject to the conditions contained herein and may be subject to additional conditions determined by the Board from time to time. Each Option granted hereunder shall be evidenced by an agreement in writing, signed on behalf of the Company and by the Participant, in such form as the Board shall approve from time to time. Each such agreement shall recite that it is subject to the provisions of this Plan.

4.2 The aggregate number of Common Shares of the Company allocated and made available to be granted to Participants under the Plan shall not exceed 10% of the issued and outstanding Common Shares of the Company as at the date of grant (on a non-diluted basis). Any issuance of Common Shares from treasury pursuant to the exercise of Options shall automatically replenish the number of Common Shares available for Option grants under the Plan. Common Shares in respect of which Options are cancelled or not exercised prior to expiry, for any reason, shall be available for subsequent Option grants under the Plan. No fractional shares may be purchased or issued hereunder.

4.3 The Company shall at all times, during the term of the Plan, reserve and keep available such number of Common Shares as will be sufficient to satisfy the requirements of the Plan.

4.4 Any grant of Options under the Plan shall be subject to the following restrictions:

- (a) the aggregate number of Common Shares reserved for issuance pursuant to Options granted to any one Participant, other than a consultant, in any 12 month period may not exceed 5% of the Company's total issued and outstanding Common Shares calculated on the date of grant, unless disinterested shareholder approval is obtained;
- (b) the aggregate number of Common Shares issuable pursuant to Options granted to Insiders at any point in time pursuant to the Plan and other security based compensation arrangements may not exceed 10% of the Company's total issued and outstanding Common Shares calculated on the date of grant, unless disinterested shareholder approval is obtained;
- (c) the aggregate number of Common Shares issued to Insiders pursuant to the Plan and other security based compensation arrangements in any 12 month period may not exceed 10% of the Company's total issued and outstanding Common Shares calculated on the date of grant, unless disinterested shareholder approval is obtained;
- (d) no more than 2% of the total issued and outstanding Common Shares calculated on the date of grant may be granted to any one consultant in any 12 month period; and
- (e) no more than an aggregate of 2% of the total issued and outstanding Common Shares at the time of grant may be granted to all persons engaged to conduct Investor Relations Activities in any 12 month period and all Options issued to persons engaged to conduct Investor Relations Activities must vest in stages over a period of not less than 12 month with no more than ¼ of the Options vesting in any three month period.

4.5 Provided that the Company is listed on the Toronto Stock Exchange (the "TSX") and is in compliance with applicable TSX requirements, the Board may grant Options which allow a Participant to elect to exercise its Option on a "cashless basis", whereby the Participant, instead of making a cash payment for the aggregate exercise price, shall be entitled to be issued such number of Common Shares equal to the number which results when: (i) the difference between the aggregate Fair Market Value of the Common Shares underlying the Option and the aggregate exercise price of such Option is divided by (ii) the Fair Market Value of each Common Share. For greater certainty, the Options may not be exercised on a "cashless basis" while the Common Shares are listed on the Exchange.

4.6 All Options granted pursuant to this Plan shall be subject to rules and policies of the Exchange and any other regulatory body having jurisdiction.

4.7 A Participant who has been granted an Option may, if otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional Option if the Board so determines.

## **5. Option Price**

5.1 Subject to applicable Exchange approval, the Option Price shall be fixed by the Board at the time the Option is granted to a Participant. In no event shall the price be less than the Discounted Market Price (as defined in the policies of the Exchange). If a press release fixing the price is not issued, the Discounted Market Price is the closing price per Common Share on the Exchange on the last trading day preceding the date of grant on which there was a closing price (less the applicable discount) or, if the Common Shares are not listed on any stock exchange, a price determined by the Board; provided that, if the Board, in its sole discretion, determines that the closing price on the last trading day preceding the date of grant would not be representative of the market price of the Common Shares, then the Board may base the price on the greater of the closing price and the weighted average price per share for the Common Shares for five (5) consecutive trading days ending on the last trading day preceding the date of grant on which there was a closing price on the Exchange. The weighted average price shall be determined by dividing the aggregate sale price of all Common Shares sold on the Exchange during the said five (5) consecutive trading days, by the total number of Common Shares so sold.

5.2 Once the Option Price has been determined by the Board, accepted by the Exchange and the Option has been granted, if the Participant is an Insider, the Option Price may only be reduced if disinterested shareholder approval is obtained; provided that such disinterested shareholder approval is then a requirement of the Exchange or other regulatory body having jurisdiction.

## **6. Term of Option**

6.1 The term of the Option shall be a period of time fixed by the Board, not to exceed ten years from the date of grant. Unless the Board determines otherwise, Options shall be exercisable in whole or in part at any time during this period in accordance with such vesting provisions, conditions or limitations (including applicable hold periods) as are herein contained or as the Board may from time to time impose, or as may be required by the Exchange or under applicable securities law.

6.2 Each Option and all rights thereunder shall be expressed to expire at the Expiry Time, but shall be subject to earlier termination in accordance with Section 13 hereof.

6.3 Subject to any specific requirements of the Exchange, the Board shall determine the vesting period or periods within the Option term, during which a Participant may exercise an Option or a portion thereof.

6.4 In addition to any resale restriction under securities laws, an Option may be subject to a four month Exchange hold period commencing on the date the Option is granted.

6.5 Except in the case of a Participant's Option that terminates pursuant to section 11.4 below, in the event that the term of any Option expires within a "blackout period" imposed by the Company which prohibits a Participant from exercising such Option, the Option shall expire on the date (the "**Blackout Expiration Date**") that is ten days following the end of such blackout period. The Blackout Expiration Date shall not be subject to the discretion of the Board.

## **7. Exercise of Option**

7.1 Subject to the provisions of the Plan and the terms of any stock option agreement, an Option or a portion thereof may be exercised, from time to time, by delivery of the Exercise Notice to the Company's principal office in Vancouver, British Columbia. The Exercise Notice shall state the intention of the Participant or the Participant's legal personal representative to exercise the said Option or a portion thereof and specify the number of Common Shares in respect of which the Option is then being exercised, and shall be accompanied by the full purchase price of the Common Shares which are the subject of the exercise. As long as the Company is listed on the TSX Venture Exchange, the purchase price must be paid by cash, certified cheque or bank draft. Such Exercise Notice shall contain the Participant's undertaking to comply, to the satisfaction of the Company, with all applicable requirements of the Exchange and any applicable regulatory authorities.

## **8. Adjustments in Shares**

8.1 If the outstanding shares of the Company are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Company through a re-organization, plan of arrangement, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, an appropriate and proportionate adjustment shall be made by the Board, in its discretion but subject to the prior acceptance of the Exchange, in the number or kind of shares optioned and the exercise price per share with respect to: (a) previously granted and unexercised Options or portions thereof; and (b) Options which may be granted subsequent to any such change in the Company's capital.

8.2 Determinations by the Board as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive, subject to the prior acceptance of the Exchange. The Company shall not be obligated to issue fractional securities in satisfaction of any of its obligations hereunder.

## **9. Accelerated Vesting**

9.1 In the event that certain events such as a liquidation or dissolution of the Company or a re-organization, plan of arrangement, merger or consolidation of the Company with one or more corporations, as a result of which the Company is not the surviving corporation, or the sale by the Company of all or substantially all of the property and assets of the Company to another corporation prior to the Expiry Time, are proposed or contemplated, the Board may, notwithstanding the terms of this Plan or any stock option agreements issued hereunder, exercise its discretion, by way of resolution, to permit accelerated vesting of Options (subject to the prior written approval of the Exchange if the original vesting condition is mandatory under the policies of the Exchange, including without limitation respecting any Options granted to a person engaged to conduct Investor Relations Activities) on such terms as the Board sees fit at that time. If the Board, in its sole discretion, determines that the Common Shares subject to any Option granted hereunder shall vest on an accelerated basis, all Participants entitled to exercise an unexercised portion of Options then outstanding shall have the right at such time, upon written notice being given by the Company, to exercise such Options to

the extent specified and permitted by the Board and within the time period specified by the Board, which shall not extend past the Expiry Time.

9.2 Except for any Option granted to a person engaged to conduct Investor Relations Activities, subject to Exchange approval an Option may provide that whenever the Company's shareholders receive a Take-Over Bid and the Company supports this bid, pursuant to which the "offeror" would, as a result of such Take-Over Bid being successful, beneficially own in excess of 50% of the outstanding Common Shares, the Participant may exercise the Acceleration Right. The Acceleration Right shall commence on the date of the mailing of the Board circular recommending acceptance of the Take-Over Bid and end on the earlier of:

- (a) the Expiry Time; and
- (b) (i) in the event the Take-Over Bid is unsuccessful, the expiry date of the Take-Over Bid; and  
(ii) in the event the Take-Over Bid is successful, the tenth (10th) day following the expiry date of the Take-Over Bid.

9.3 At the time of the termination of the Acceleration Right, the original vesting terms of the Options shall be reinstated with respect to the Common Shares issuable thereunder which were not acquired by the holders of such Options pursuant to the terms thereof. Notwithstanding the foregoing, the Acceleration Right may be extended for such longer period as the Board may resolve.

9.4 Provided that the Company is listed on the TSX and is in compliance with applicable TSX requirements, the Company may satisfy any obligations to a Participant hereunder by paying to the Participant in cash the difference between the exercise price of all unexercised Options granted hereunder and the Fair Market Value of the Common Shares to which the Participant would be entitled upon exercise of all unexercised Options, regardless of whether all conditions of exercise relating to continuous employment have been satisfied.

## **10. Decisions of the Board**

All decisions and interpretations of the Board respecting the Plan or Options granted thereunder shall be conclusive and binding on the Company and the Participants and their respective legal personal representatives and on all directors, officers, employees and consultants of the Company who are eligible to participate under the Plan.

## **11. Ceasing to be a Director, Officer, Employee or Consultant**

11.1 Subject to the terms of the applicable stock option agreements and subject to section 11.4 hereof, in the event of the Participant ceasing to be a director, officer, employee or consultant of the Company or a Subsidiary for any reason other than death, including the resignation or retirement of the Participant or the termination by the Company or a Subsidiary of the employment of the Participant, prior to the Expiry Time, such Option (including an Option held by a Participant's Personal Holding Company) may be exercised as to such Common Shares in respect of which the Option has not previously been exercised (and as the Participant would have been entitled to exercise) at any time up to and including (but not after) the earlier of: (a) the Expiry Time; and (b) a date that is ninety (90) days (or such other period as may be determined by the Board, provided that such period is not more than one year) following the effective date of such resignation or retirement or a date that is ninety (90) days (or such other period as may be determined by the Board, provided that such period is not more than one year) following the date notice of termination of employment is given by the Company or a Subsidiary, whether such termination is with or without reasonable notice, and subject to such shorter period as may be otherwise specified in the stock option agreement, after which date the Option shall forthwith expire and terminate and be of no further force or effect whatsoever.

11.2 In consideration of the Option hereby granted, in the event of the resignation or retirement of the Participant or the termination of employment by the Company without cause, the Participant hereby covenants not to sue the Company for damages arising from the loss of rights granted hereunder and releases the Company from any damages.

11.3 Notwithstanding the foregoing, in the event of termination for cause, such Option (including an Option held by a Participant's Personal Holding Company) shall expire and terminate immediately at the time of delivery of notice of termination of employment for cause to the Participant by the Company or a Subsidiary and shall be of no further force or effect whatsoever as to the Common Shares in respect of which an Option has not previously been exercised.

11.4 In the event of the death of a Participant on or prior to the Expiry Time, such Option (including an Option held by a Participant's Personal Holding Company) may be exercised as to such of the Common Shares in respect of which such Option has not previously been exercised (and as the Participant would have been entitled to purchase), by the legal personal representatives of the Participant at any time up to and including (but not after) a date one (1) year from the date of death of the Participant, after which date the Option shall forthwith expire and terminate and be of no further force or effect whatsoever.

11.5 Options shall not be affected by any change of employment of the Participant where the Participant continues to be employed by the Company or any of its Subsidiaries.

## **12. Transferability**

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or to the extent, if any, permitted by the Exchange.

## **13. Amendment or Discontinuance of Plan**

- (a) The approval of the Board and the requisite approval from the Exchange and the shareholders shall be required for any of the following amendments to be made to the Plan:
  - (i) any increase to the fixed maximum percentage of Common Shares issuable under the Plan;
  - (ii) an increase in the maximum number of Common Shares that may be issued to Insiders within any one year period or that are issuable to Insiders at any time;
  - (iii) an extension of the term of an Option held by or benefiting an Insider (which shall also require disinterested shareholder approval, provided that such disinterested shareholder approval is then a requirement of the Exchange or other regulatory body having jurisdiction);
  - (iv) any change to the definition of "Participants" which would have the potential of broadening or increasing Insider participation;
  - (v) provided that the Company is listed on the TSX, the addition of a cashless exercise feature, payable in cash or securities which does not provide for a full deduction of the number of underlying securities from the Plan reserve; and
  - (vi) any other amendments that may lead to significant or unreasonable dilution in the Company's outstanding securities or may provide additional benefits to Participants, especially Insiders, at the expense of the Company and its existing shareholders.
- (b) The Board may, without shareholder approval but subject to receipt of requisite approval as required by the Exchange, in its sole discretion make all other amendments to the Plan that are not of the type contemplated in subsection 15(a) above including, without limitation:
  - (i) amendments of a housekeeping nature;
  - (ii) a change to the vesting provisions of an Option; and

- (iii) a change to the termination provisions of an Option which does not entail an extension beyond the original expiry date, except as contemplated in Section 6.5 above;

#### **14. Participants' Rights**

14.1 A Participant shall not have any rights as a shareholder of the Company until the issuance of a certificate for Common Shares upon the exercise of an Option or a portion thereof, and then only with respect to the Common Shares represented by such certificate or certificates.

14.2 Nothing in the Plan or any Option shall confer upon any Participant any rights to continue in the employ of the Company or any Subsidiary or affect in any way the right of the Company or any such Subsidiary to terminate the employment of the Participant at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Company or any such Subsidiary to extend the employment of any Participant beyond the time such Participant would normally retire pursuant to the provisions of any present or future retirement plan of the Company or any Subsidiary, or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Company or any Subsidiary.

#### **15. Approvals**

15.1 The Plan shall be subject, if applicable, to the approval of the Exchange or other regulatory body having jurisdiction at that time and, if so required thereby, to the approval of the shareholders of the Company.

15.2 Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless such approval and acceptance is given.

#### **16. Government Regulation**

16.1 The Company's obligation to issue and deliver Common Shares under any Option is subject to:

- (a) the satisfaction of all requirements under applicable securities laws in respect thereof and obtaining all regulatory approvals as the Company shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the admission of such Common Shares to listing on any stock exchange on which such Common Shares may then be listed; and
- (c) the receipt from the Participant of such representations, warranties, agreements and undertakings as to future dealings in such Common Shares as the Company determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

16.2 In this regard, the Company shall take all reasonable steps to obtain such approvals and registrations as may be necessary for the issuance of such Common Shares and for the listing of such Common Shares on the Exchange, in compliance with applicable securities laws. If any shares cannot be issued to any Participant for whatever reason, the obligation of the Company to issue such shares shall terminate and the Option Price paid to the Company will be returned to the Participant.

**17. Costs**

The Company shall pay all costs of administering the Plan.

**18. Interpretation**

This Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

**19. Compliance with Applicable Law**

If any provision of the Plan or any Option contravenes any law or any order, policy, bylaw or regulation of any regulatory body or the Exchange, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.