



Notice of Meeting and  
Management Information Circular

for the

ANNUAL GENERAL AND SPECIAL MEETING

of

DAMARA GOLD CORP.

**Meeting date: Friday, June 28, 2024**

**Time: 10:00am (Pacific Time)**

At The Orchard Room  
301 – 1665 Ellis Street  
Kelowna, British Columbia



## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

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**NOTICE IS HEREBY GIVEN** that the Annual General and Special Meeting (the “**Meeting**”) of shareholders of **Damara Gold Corp.** (the “**Company**”) will be held on **Friday, June 28, 2024** at **10:00am** (Pacific Time) at **the Orchard Room, 301 – 1665 Ellis Street, Kelowna British Columbia** for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company for the financial years ended July 31, 2023 together with the auditors’ report;
2. To fix the number of Directors of the Company at four;
3. To elect Directors of the Company for the ensuing year;
4. To appoint SMYTHE LLP, as auditors of the Company for the ensuing year and to authorize the Directors of the Company to fix their remuneration;
5. To consider and, if thought fit, to pass an ordinary resolution re-adopting and re-approving the current stock option plan for the Company;
6. To consider and, if deemed advisable, approve with or without variation, an ordinary resolution to consolidate each of the issued and outstanding common shares without par value of the Company on the basis of four (4) old common shares for one (1) new common share, or such lesser amount as the directors of the Company may determine;
7. To consider, and if thought advisable, to pass, a special resolution approving an amendment of the Articles of the Company; and
8. To transact such other business that may properly come before the Meeting or any adjournment thereof.

The Information Circular also provides additional information relating to the matters to be dealt with and voted upon at the Meeting and is deemed to form part of this Notice of Meeting. Please see the section heading “*Particulars of Matters to be Acted Upon*” in the Information Circular for full particulars.

**ALLSHAREHOLDERS ARE STRONGLY ENCOURAGED TO VOTE BY SUBMITTING THEIR COMPLETED FORM OF PROXY (OR VOTING INSTRUCTION FORM) PRIOR TO THE MEETING BY ONE OF THE MEANS DESCRIBED IN THE CIRCULAR ACCOMPANYING THIS NOTICE OF MEETING.**

All registered shareholders as at **May 21, 2024**, (the “**Record Date**”) are entitled to attend and vote at the Meeting in person or by proxy. Shareholders who are unable to attend the Meeting in person are requested to date and sign the enclosed form of proxy and to return it to Computershare Investor Services Inc., **100 University Avenue, 8<sup>th</sup> Floor Toronto, Ontario, M5J 2Y1** (according to the instructions on the proxy), at least 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, being **10:00 a.m. (Pacific time) on Wednesday, June 26, 2024**, unless the chairman of the Meeting elects to exercise his or discretion to accept proxies received subsequently. If a shareholder does not deliver a proxy in accordance with these instructions or to the presiding officer of the Meeting, then the shareholder will not be entitled to vote at the Meeting by proxy.

Non-registered shareholders as at the Record Date who receive this notice and accompanying information circular from their broker or other intermediary should complete and return the proxy or voting instruction form (in accordance with the instructions provided with it. Completed voting instruction forms must be received at least 48



hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, being **10:00 a.m. (Pacific time) on Wednesday, June 26, 2024**, unless the chairman of the Meeting elects to exercise his or discretion to accept proxies received subsequently.

Failure to do so may result in the shares of the non-registered Shareholders not being eligible to be voted at the Meeting. An information circular, a form of proxy and voting instruction form accompany this Notice of Meeting.

DATED at Kelowna, British Columbia, this 27th day of May, 2024.

**BY ORDER OF THE BOARD OF DIRECTORS**

***“Corbin Stewart”***

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**Corbin Stewart  
President and CEO**



## **MANAGEMENT INFORMATION CIRCULAR**

(as at and dated May 27, 2024, unless indicated otherwise)

Damara Gold Corp. (the "**Company**") is providing this information circular (the "**Information Circular**" or "**Circular**") and the accompanying form of proxy in connection with management's solicitation of proxies for use at the annual general and special meeting of shareholders the Company (each a "**Shareholder**") to be held at **the Orchard Room, 301 – 1665 Ellis Street, Kelowna British Columbia on Friday, June 28, 2024 at 10:00 a.m.** (Pacific Time) and at any adjournments thereof (the "**Meeting**").

**ALL SHAREHOLDERS ARE STRONGLY ENCOURAGED TO VOTE BY SUBMITTING THEIR COMPLETED FORM OF PROXY (OR VOTING INSTRUCTION FORM) PRIOR TO THE MEETING BY ONE OF THE MEANS DESCRIBED IN THIS CIRCULAR.**

The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact with shareholders for this purpose. The Company will pay the cost of solicitation. In this information circular, references to "\$" are to Canadian dollars unless otherwise indicated.

### **APPOINTMENT AND REGISTRATION OF PROXYHOLDER**

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

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

### **VOTING BY PROXY**

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

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

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



If a registered Shareholder who has a proxy attends the Meeting and accepts the terms and conditions when entering the Meeting, any votes cast by such Shareholder on a ballot during the Meeting will be counted and the previously submitted proxy will be disregarded. If registered Shareholders DO NOT wish to revoke all previously submitted proxies, they should not accept the terms and conditions, in which case such registered Shareholders can only enter the Meeting as a guest.

### **COMPLETION AND RETURN OF PROXY**

Completed proxies must be sent by mail or fax to the Company's registrar and transfer agent, Computershare Investor Services Inc., at its offices at **100 University Avenue, 8<sup>th</sup> Floor Toronto, Ontario, M5J 2Y1** or by fax or at **1-866-249-7775 in Canada and the United States, and 001-416-263-9524 outside of Canada and the United States (according to the instructions on the form of proxy)**, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently. **You may also vote on the Internet or by telephone.**

**In all cases, all proxies must be received and all proxyholders must be registered before 10:00 a.m. (Pacific Time) on Wednesday, June 26, 2024, or in the case of adjournment or postponement of the Meeting, not less than 48 hours** excluding Saturdays, Sundays and holidays, prior to the time of the Meeting.

### **NON-REGISTERED HOLDERS**

**Only Shareholders whose names appear on the records of the Company as the registered holders of Common Shares or duly appointed proxyholders are permitted to vote at the Meeting.** Most Shareholders of the Company are "non-registered" Shareholders because the Common Shares they own are not registered in their names but instead registered in the name of a nominee such as a brokerage firm through which they purchased the Common Shares; bank, trust company, trustee or administrator of self-administered RRSP's, RRIF's, RESP's and similar plans; or clearing agency such as The Canadian Depository for Securities Limited (a "**Nominee**"). If you purchased your Common Shares through a broker, you are likely an non-registered holder.

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

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

If you, as a non-registered holder, wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

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



In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) of the Canadian Securities Administrators, the Company has elected to send the Meeting materials indirectly to NOBOs through Broadridge.

If the Company or its agent has sent these materials directly to you (instead of through a Nominee), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominee holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Nominee holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions.

The Company does not intend to pay for Nominees to deliver the Meeting materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to OBOs. As a result, OBOs will not receive the Meeting materials unless their Nominee assumes the costs of delivery.

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

#### **REVOCABILITY OF PROXY**

In addition to revocation in any other manner permitted by law, a Shareholder, his attorney authorized in writing or, if the Shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting or to Computershare Investor Services Inc. at its offices at 100 University Avenue, 8<sup>th</sup> Floor Toronto, Ontario, M5J 2Y1 or by fax at 1-866-249-7775 in Canada and the United States, and 001-416-263-9524 outside of Canada and the United States

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

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

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

The Company has an authorized capital of an unlimited number of common shares without par value. As at the date of this Circular, **73,515,389** Common Shares without par value were issued and outstanding, each such share carrying the right to one (1) vote at the Meeting. The Company has no other class of voting securities. The record date has been fixed in advance by the directors of the Company **May 21, 2024** for the purpose of determining those shareholders entitled to receive notice of, and to vote at the Meeting.

To the knowledge of the directors and senior officers of the Company, there are no persons who beneficially own, directly or indirectly, or exercise control or direction over, voting securities carrying more than 10% of the voting rights attached to the voting securities of the Company.



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

**Number and Election of Directors**

The Board presently consists of four directors. Management is nominating four individuals to stand for election as directors at the Meeting. It is proposed that the number of directors to be elected at the Meeting for the ensuing year be fixed at four.

The term of office of each of the present directors expires at the Meeting. Management of the Company proposes to nominate the persons named below for election as directors of the Company at the Meeting. In accordance with the Articles of the Company, each director elected will hold office until the next annual general meeting of the members of the Company or until their successor is duly elected or appointed, unless such office is earlier vacated in accordance with the Articles or such director becomes disqualified to act as a director pursuant to the British Columbia *Business Corporations Act* (“BCBCA”).

**Except where authority to vote on the Election of Directors is withheld, unless otherwise indicated, the named proxyholders will vote FOR the election of each of the proposed nominees set forth above as directors of the Company.**

The following table and notes thereto sets forth the name of each person proposed to be nominated by management for election as a director, the municipality in which he is ordinarily resident, all offices of the Company now held by him, the period of time for which he has been a director of the Company, and the number of Common Shares beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof:

Name and Address of Nominee and Present Position with Company	Principal Occupation During the Last Five Years	Director Since	Number of Approximate Voting Securities <sup>1</sup>
<b>Corbin Stewart</b> British Columbia, Canada President and Chief Executive Officer and Director	President and CEO of the Damara Gold Corp. (May 13 – 2024 to present) Project Manager Ridgeline Exploration (a private exploration services company acquired by ALS and then Goldspot) 2018 – 2023, ALS/Goldspot 2023 - 2024	May 13, 2024	76,076
<b>Lawrence J. Nagy<sup>2</sup></b> British Columbia, Canada Director, Chair	Former President, CEO of Damara Gold Corp, (2014 – 2024) Director and/or Technical Advisor to several listed, public and private exploration companies	October 24, 2013	1,413,370
<b>William F. Lindqvist <sup>2</sup></b> California, USA Director	Director and/or Technical Advisor to several listed, public and private exploration companies	April 9, 2014	783,054
<b>Ronald L. Parratt <sup>2</sup></b> British Columbia, Canada Director	Former Director and Executive Chairman of Renaissance Gold Inc.	January 21, 2022	Nil

- 1 Voting securities beneficially owned, directly or indirectly, or over which control or direction is exercised.
- 2 Denotes member of the audit committee.



Management is not presently aware that any of the nominees will be unwilling to serve as a director if elected but in the event that, prior to the Meeting, any vacancies occur in the slate of nominees submitted herewith, the enclosed form of proxy confers discretionary authority upon the persons named therein to vote for the election of any other eligible person designated by the Board, unless instructions have been given to refrain from voting with respect to the election of directors.

**Corporate Cease Trade Orders, Bankruptcies, Penalties, Sanctions or Individual Bankruptcies**

To the knowledge of the Company, no proposed director:

- a) is at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
  - (i) was subject, to a cease trade or similar order or an order that denied the relevant company access to any exemptions under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively, an "Order"); when such Order was issued while the person was acting in the capacity of a director, chief executive office or chief financial officer of the relevant company; or
  - (ii) was subject to an Order for that was issued after such person ceased to be a director, chief executive officer or chief financial officer of the relevant company, and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive office or chief financial officer of the relevant company; or
- b) is, as at the date of this Circular, or has been within 10 years before the date of the Circular, a director or executive officer of any company (including Damara) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

As Damara is a reporting company, the Company's directors are required to elect an audit committee from their number. **William Lindqvist, Ronald L. Parratt and Lawrence Nagy** are the three directors to be elected by the board of directors of the Company to the audit committee for the ensuing year. Messer's Lindqvist and Parratt are considered to be independent. Mr. Nagy as the Company's President and CEO is considered non-independent as he was the former President and CEO as was considered an "inside" or management director.





### **Appointment of Auditor**

The persons named in the enclosed instrument of proxy intend to vote for the appointment of Smythe LLP, Chartered Accountants (“**Smythe**”), as the Company’s auditor until the next annual general meeting of shareholders at remuneration to be fixed by the Board.

Management recommends that the shareholders of the Company approve the appointment of Smythe, as auditor for the Company.

**Unless instructions are given to abstain from voting with regard to the appointment of the Auditors, it is the intention of management nominees to vote FOR the appointment of Smythe as auditors of the Company.**

### **Ratification and Approval of Stock Option Plan**

In accordance with policy 4.4 of the TSX Venture Exchange (the “**Exchange**”), all rolling stock option plans, such as the Company’s requires the approval of the shareholders of the Company on an annual basis.

The Company has a Rolling Up to 10% Security Based Compensation Plan (as defined in the policies of the Exchange) (the “**Plan**”) which was most recently approved by the Shareholders at the last annual general meeting held on July 25, 2023.

The purpose of the Plan is to allow Damara to grant options (the “**Options**”) to directors, officers, employees, management employees and consultants (“**Eligible Person**”), as additional compensation, and as an opportunity to participate in the success of Damara. The granting of such Options is intended to align the interests of such Eligible Persons with that of the shareholders.

The Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance, set aside and made available for issuance under the Plan may not exceed 10% of the issued and outstanding Common Shares of the Company at the time of granting of options (including all options granted by the Company to date).

The number of Common Shares which may be reserved at any time or in any 12 month period for issuance to Insiders as a group upon exercise of all Options held by Insiders as a group may not exceed 10% of the issued and outstanding Common Shares (including all Common Shares issuable pursuant to all Security Based Compensation Plans as defined in the policies of the Exchange) of the Company at the time of the grant (unless the Company has received Disinterested Shareholder Approval (as defined in the policies of the Exchange)). The number of Common Shares which may be reserved in any 12 month period for issuance to any one individual upon exercise of all Options held by that individual may not exceed 5% of the issued and outstanding Common Shares of the Company at the time of the grant (including all Common Shares issuable pursuant to all Security Based Compensation Plans). 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 Common Shares (including all Common Shares issuable pursuant to all Security Based Compensation Plans) 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. Anyone engaged in investor relations activities may not receive any Security Based Compensation (as defined in the policies of the Exchange) other than stock options. The Plan provides that Options granted to any person engaged in investor relations activities will vest in stages over 12 months with no more than ¼ of the stock options vesting in any three month period. The Plan does not include provisions for a “cashless exercise” or “net exercise” as defined in the policies of the Exchange.

The 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 Plan to such Eligible Persons, as the board of directors may from time to time designate.



The exercise price of any Option granted under the Plan shall be determined by the Board but may not be less than the market price of the Common Shares on the Exchange on the date of the grant (less any discount permissible under Exchange rules) but in any case may not be less than \$0.05 per share. The term of any Option granted under the 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 Option granted under the Plan may not exceed ten years. Options granted under the 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 that an Eligible Person ceases to be an Eligible Person, in relation to the Company, Options granted to such Eligible Person under the Plan will expire 90 days after such individual or entity ceases to act in that capacity in relation to the Company, or such later date as may be reasonably determined by the Board, notwithstanding such later date may not exceed 12 months from the date the Eligible Person ceased to be and Eligible Person. Any extension of expiry of an Option held by Insider will be subject to Disinterested Shareholder Approval.

Options granted to optionees engaged in investor relations activities on behalf of the Company expire 30 days after such optionees cease to perform such investor relations activities for the Company. In the event of death of an option holder, Options granted under the Plan expire one year from the date of the death of the option holder.

The Company has made certain amendments to clarify existing provisions of the Plan including definitions and required language pursuant to Policy 4.4 that have not effected or altered the scope, nature and intent of such provisions (the "Revisions"). The full text of the Plan including the Revisions is attached as Schedule "B" to this Information Circular for approval.

Accordingly, at the Meeting, Damara shareholders will be asked to pass an ordinary resolution ratifying the Plan including the Revisions. All Damara shareholders present at the Meeting, whether in person or by proxy, will be entitled to vote on such resolution as follows:

#### ***Shareholder Approval of Stock Option Plan***

"RESOLVED, as an ordinary resolution that:

1. the adoption of the Company's Stock Option Plan including the Revisions attached hereto as Schedule "B" be ratified, confirmed and approved, subject to acceptance by the Exchange;
2. the Company be authorized to grant Options pursuant and subject to the terms and conditions of the Plan at any time to a maximum of 10% of the issued and outstanding Common Shares of the Company on the applicable grant date;
3. the Board of Directors be authorized on behalf of the Company to make any amendments to the Stock Option Plan as may be required by regulatory authorities, without further approval of the Shareholders of the Company, in order to ensure adoption of the Stock Option Plan; and
4. any one or more directors and officers of the Company be authorized and directed to perform all such acts and deeds and things and execute, under seal of the Company or otherwise, all such documents, agreements and other writings as may be required to give effect to the true intent of these resolutions."

**Unless otherwise instructed, the person named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form in favour of the approval of the Plan. The directors of the Company recommend that shareholders vote in favour of the approval of the Plan. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast on the resolution.**



## **Approval of Share Consolidation**

The Board has determined that it would be in the best interests of the Company to consolidate all of its issued and outstanding Common Shares (the “**Share Consolidation**”). At the Meeting, Shareholders will be asked to consider, and if thought advisable, to pass an ordinary resolution (the “**Consolidation Resolution**”) (the full text of which is set out below) authorizing the consolidation of the Company’s issued and outstanding Common Shares on a four (4) Common Shares into one (1) Common Share basis such that for each four (4) Common Shares of the Company presently held by a Shareholder, the Shareholder will hold one (1) Common Share after the Share Consolidation.

### *Reasons for the Share Consolidation*

The Company's Board believes that Consolidation will provide the Company with greater flexibility for the continued development of its business and the growth of the Company, including financing arrangements. There is no change of business associated with the Consolidation.

### *Effects of the Share Consolidation*

If approved and implemented, the Share Consolidation will occur simultaneously for all of the Common Shares and the consolidation ratio will be the same for all of such Common Shares. Except for any variances attributable to fractional shares, the change in the number of issued and outstanding Common Shares that will result from the Share Consolidation will cause no change in the capital attributable to the Common Shares and will not materially affect any shareholder's percentage ownership in the Company, even though such ownership will be represented by a smaller number of Common Shares.

In addition, the Share Consolidation will not materially affect any shareholder's proportionate voting rights. Each Common Share outstanding after the Share Consolidation will be entitled to one vote and will be fully paid and non-assessable.

The principal effects of the Share Consolidation will be that the number of Common Shares issued and outstanding will be reduced from 73,515,389 Common Shares as of May 27, 2024 to approximately 18,378,847 Common Shares, based on the consolidation ratio of four (4) to one (1). The implementation of the Share Consolidation would not affect the total shareholders' equity of the Company or any components of shareholders' equity as reflected on the Company's financial statements except: (i) to change the number of issued and outstanding Common Shares; and (ii) to change the stated capital of the Common Shares to reflect the Share Consolidation.

As a result of the Share Consolidation, the number of Common Shares pursuant to which the outstanding stock options and warrants of the Company will be exercisable into will become proportionally reduced and the applicable exercise price will be proportionally increased. As of the date of this Circular, there are an aggregate of 2,500,000 Common Share purchase options and an aggregate of 4,000,000 Common Share purchase warrants outstanding.

### *Exchange of Share Certificates*

Should the Share Consolidation be approved by Shareholders, accepted by the Exchange and implemented by the Board, Shareholders will be required to exchange their share certificates representing the pre-Consolidation Shares for new share certificates representing post-Consolidation Shares.

Following a determination by the Board to implement the Share Consolidation, it is expected that Computershare Investor Services Inc. (the “**Transfer Agent**”) will send a letter of transmittal to each Shareholder as soon as practicable after the implementation of the Share Consolidation. The letter of transmittal will contain instructions on how Shareholders can surrender their share certificates representing pre-Consolidation Shares to the Transfer Agent. The Transfer Agent will forward to each Shareholder who has sent in their share certificates representing pre-Consolidation Shares, along with such other documents as the Transfer Agent may require, a new share



certificate representing the number of post-Consolidation Shares to which such Shareholder is entitled. No share certificates will be issued for fractional shares and any fractions of a share will be rounded down to the nearest whole number of Common Shares.

*Certain Risks associated with the Share Consolidation*

*The Company's total market capitalization immediately after the proposed Share Consolidation may be lower than immediately before the proposed Share Consolidation.*

There are numerous factors and contingencies that could affect the Common Share price prior to or following the Share Consolidation, including the status of the Company's reported financial results in future periods, and general economic, geopolitical, stock market and industry conditions. Accordingly, the market price of the Common Shares may not be sustainable at the direct arithmetic result of the Share Consolidation, and may be lower. If the market price of the Common Shares is lower than it was before the Share Consolidation on an arithmetic equivalent basis, the Company's total market capitalization (the aggregate value of all Common Shares at the then market price) after the Share Consolidation may be lower than before the Share Consolidation.

*A decline in the market price of the Common Shares after the Share Consolidation may result in a greater percentage decline than would occur in the absence of the Share Consolidation and the liquidity of the Common Shares could be adversely affected following the Share Consolidation.*

If the Share Consolidation is implemented and the market price of the Common Shares declines, the percentage decline may be greater than would occur in the absence of the Share Consolidation. The market price of the Common Shares will, however, also be based on the Company's performance and other factors, which are unrelated to the number of Common Shares outstanding. Furthermore, the liquidity of the Common Shares could be adversely affected by the reduced number of Common Shares that would be outstanding after the Share Consolidation.

*The Share Consolidation may result in some Shareholders owning "odd lots" of less than 100 Common Shares on a post-consolidation basis, which may be more difficult to sell, or require greater transaction costs per Common Share to sell.*

*Resolution*

The text of the ordinary resolution (the "**Share Consolidation Resolution**"), which will be submitted to shareholders at the Meeting, is set forth below. In accordance with the Company's Articles and the *Business Corporations Act* (British Columbia) the Share Consolidation must be approved by simple majority of the votes cast by holders of Common Shares present in person or represented by proxy and entitled to vote at the Meeting.

"IT IS RESOLVED AS AN ORDINARY RESOLUTION THAT:

*1. Subject to the Company receiving Exchange and any other regulatory approvals, if so required, the Board be and is hereby authorized to consolidate the total number of issued and outstanding Common Shares on the basis of four (4) old Common Shares for every one (1) new Common Share issued and outstanding, or on such lesser basis as may be approved by the Board of Directors and the Exchange with any resulting fractions being rounded down to the nearest whole number of Common Shares, on a date to be determined by the Board;*

*2. Any one director or officer of the Company is authorized and directed on behalf of the Company to execute all documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the foregoing provisions of this resolution; and*



3. Notwithstanding the foregoing, the Board be and is hereby authorized to revoke this ordinary resolution before it is acted on without further approval of the shareholders.”

**The Board of Directors of the Company recommends that shareholders vote FOR the Share Consolidation Resolution. Common Shares represented by Management Designee’s will be voted FOR the Share Consolidation Resolution, unless a shareholder has specified in his or her proxy that his or her Common Shares are to be voted against the approval of the Share Consolidation Resolution.**

#### *Change of Name of Company*

In connection with the Share Consolidation as described herein, by resolution approved by its Board of Directors the Company in accordance with the Company’s Articles will change its name to “**Bronco Resources Corp.**”, or such other name as that may be approved by the Company’s Board of Directors and the applicable regulatory authorities.

#### **Amendment of the Articles of the Company**

The Company is proposing to amend its existing articles (the “**Amended Articles**”) to adopt certain provisions (the “**Alterations Provisions**”) that would provide the Company’s Board of Directors with increased flexibility to approve and authorize certain alterations to the Company’s share structure without having to seek shareholder approval. If approved, the current Articles would be amended by:

deleting section 9.1 in its entirety and replacing it a new section 9.1:

#### **“9.1 Alteration of Authorized Share Structure**

Subject to Article 9.2 and the *Business Corporations Act*, the Company may:

- (1) by directors' resolution:
  - (a) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
  - (b) change all or any of its unissued shares with par value into shares without par value or any of its unissued shares without par value into shares with par value or change all or any of its fully paid issued shares with par value into shares without par value;
  - (c) alter the identifying name of any of its shares;
  - (d) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
  - (e) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
  - (f) If the Company is authorized to issue shares of a class of shares with par value:
    - (i) decrease the par value of those shares; or
    - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;



- (2) by ordinary resolution otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*.”

#### *Resolution*

The text of the special resolution (the “**Amended Articles Resolution**”), which will be submitted to shareholders at the Meeting, is set forth below. In accordance with the Company’s Articles and the *Business Corporations Act* (British Columbia) the Amended Articles Resolution must be approved by a majority of not less than two-thirds (66⅔%) of the votes cast by holders of Common Shares present in person or represented by proxy and entitled to vote at the Meeting.

“IT IS RESOLVED AS A SPECIAL RESOLUTION THAT:

1. *The existing Articles of the Company be amended by deleting article 9.1 in its entirety and replacing it with the following:*

#### **“9.1 Alteration of Authorized Share Structure**

Subject to Article 9.2 and the *Business Corporations Act*, the Company may:

- (1) by directors' resolution:
- (a) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
  - (b) change all or any of its unissued shares with par value into shares without par value or any of its unissued shares without par value into shares with par value or change all or any of its fully paid issued shares with par value into shares without par value;
  - (c) alter the identifying name of any of its shares;
  - (d) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
  - (e) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
  - (f) If the Company is authorized to issue shares of a class of shares with par value:
    - (i) decrease the par value of those shares; or
    - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
- (2) by ordinary resolution otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*.”

2. *Any one director or officer of the Company is authorized and directed on behalf of the Company to execute all documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the foregoing provisions of this resolution;*



The Board of Directors of the Company recommends that shareholders vote FOR the Amended Articles Resolution. Common Shares represented by Management Designee's will be voted FOR the Amended Articles Resolution, unless a shareholder has specified in his or her proxy that his or her Common Shares are to be voted against the approval of the Amended Articles Resolution.

#### OTHER BUSINESS

While management of the Company is not aware of any business other than that mentioned in the Notice of Meeting to be brought before the Meeting for action by the shareholders, **it is intended that the proxies hereby solicited will be exercised upon any other matter or proposal that may properly come before the Meeting, or any adjournment thereof, in accordance with the discretion of the persons authorized to act thereunder.**

#### GENERAL STATEMENT OF EXECUTIVE COMPENSATION – Venture Issuers

For the purpose of this Statement of Executive Compensation:

**“Company”** means Damara Gold Corp.;

**“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;

**“external management company”** includes a subsidiary, affiliate or associate of the external management company;

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

- (a) 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;
- (b) 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;
- (c) 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; and
- (d) 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;

During the financial year ended July 31, 2023 the Company had two Named Executive Officers (**“NEO”**) being:

- a) Lawrence Nagy, former President and CEO of the Company; and
- b) Terese Gieselman, CFO and Secretary of the Company.

**“underlying securities”** means any securities issuable on conversion, exchange or exercise of compensation securities.

*All currency references herein are expressed in Canadian Dollars unless otherwise specified.*



## Director and NEO Compensation

*Director and NEO compensation, excluding options and compensation securities.*

The following table sets forth all compensation for the two most recently completed financial years being July 31, 2023 and July 31, 2022 paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or its subsidiary, to each NEO and director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or a director of the Company for services provided and for services to be provided, directly or indirectly, to the Company or its subsidiary.

Table of Compensation Excluding Compensation Securities							
Name and Principal Position	Year Jul 31	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of Perquisites (\$)	Value of all other compensation (\$)	Total Compensation (\$)
Lawrence Nagy <sup>1</sup> Former President and CEO Director	2023	60,000	Nil	Nil	Nil	Nil	60,000
	2022	60,000	Nil	Nil	Nil	Nil	60,000
Terese Gieselman <sup>2</sup> CFO & Secretary	2023	27,748	Nil	Nil	Nil	13,406 <sup>3</sup>	41,154
	2022	32,480	Nil	Nil	Nil	15,413 <sup>3</sup>	47,893
William Lindqvist Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Ronald L. Parratt Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Corbin Stewart <sup>4</sup> President, CEO Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil

### NOTES:

- Consulting fees were paid and/or accrued to 43983 Yukon Inc., a company controlled by Lawrence Nagy, the Company's CEO (*See External Management Companies*) Mr. Nagy resigned as President and CEO on May 13, 2024 and Mr. Corbin Stewart was appointed President and CEO in his stead;
- Consulting fees were paid and/or accrued to Minco Corporate Management, a company controlled by Terese Gieselman, the Company's CFO (*See External Management Companies*);
- Other compensation includes fees for administration, accounting and employment services provided to the Company by Minco personnel (*See External Management Companies*);
- Corbin Stewart was appointed President and CEO effective May 13, 2024. Mr. Stewart is compensated at a daily rate of \$700 per day effective May 13, 2024.

### *External Management Companies*

During the financial year end July 31, 2023 and July 31, 2022, the Company retained the services of Lawrence Nagy as President and CEO through his management company, 43983 Yukon Inc. ("43983"), at a rate of \$5,000 per month. 43983 is a private company controlled by Lawrence Nagy. Mr. Nagy resigned as President and CEO on May 13, 2024.





The Company retained the services of Terese Gieselman a CFO and Corporate Secretary through her management company, Minco Corporate Management Inc. (“**Minco**”) at a rate of \$100 per hour. Minco is a private company wholly-owned by Terese Gieselman.

Additionally Minco also provides corporate, administration, accounting personnel at a rates of \$50 - \$65 per hour such amounts are included in Other Compensation.

### **Compensation Securities Table**

During the year ended July 31, 2023 there were no compensation securities issued.

As at July 31, 2023:

1. Mr. Nagy held 500,000 options each of which are exercisable into one common share of the Company and all of which are fully vested and are exercisable at \$0.08 per share until July 15, 2026. The options represent 20% of the options outstanding and 0.68% of the underlying Common Shares issued and outstanding.
2. Ms. Gieselman held through Minco 350,000 options each of which are exercisable into one common share of the Company and all of which are fully vested and are exercisable at \$0.08 per share until July 15, 2026. The options represent 14% of the options outstanding and 0.48% of the underlying Common Shares issued and outstanding.
3. Mr. Lindqvist held 300,000 options each of which are exercisable into one common share of the Company and of which are fully vested and 200,000 are exercisable at \$0.08 per share until July 15, 2026 and 100,000 are exercisable \$0.08 per share until January 21, 2027. The options represent 16% of the options outstanding and 0.54% of the underlying Common Shares issued and outstanding.
4. Mr. Parratt held 200,000 options each of which are exercisable into one common share of the Company and all of which are fully vested and are exercisable at \$0.08 per share until January 21, 2027. The options represent 9% of the options outstanding and 0.27% of the underlying Common Shares issued and outstanding.

*See Securities Authorized For Issuance Under Equity Compensation Plans for additional information.*

### **Exercise of Compensation Securities by Directors and NEO's**

During the most recently completed year end July 31, 2023 there were no exercises of compensation securities by directors or NEO's.

### **Stock Option Plan**

The Company's Stock Option Plan provides that the maximum number of options eligible for issuance under the Plan is equal to 10% of the number of Common Shares of the Company outstanding from time to time. As required by the policies of the Exchange, as this plan is considered a “rolling plan” it requires approval by the shareholders of the Company on an annual basis, which will be sought at the Meeting. Refer to “Particulars of Other Matters to be Acted Upon – Ratification of Stock Option Plan” for further details.

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

Other than set out herein, the Company did not have any formal employment, management or consulting agreements under which compensation was provided during the most recently completed financial year or is payable in respect *See Termination and Change of Control for further details.*



### **Termination and Change of Control Benefits**

The Company does not have any pension or retirement plan which is applicable to the NEOs. The Company has not provided compensation, monetary or otherwise, during the most recently completed financial year, to any person who now or previously has acted as an NEO of the Company, in connection with or related to the retirement, termination or resignation of such person, and the Company has provided no compensation to any such person as a result of a change of control of the Company. The Company is not party to any compensation plan or arrangement with a NEO resulting from the resignation, retirement or termination of employment of any such person.

There are no compensatory plans or arrangements between the Company and a NEO with respect to the resignation, retirement or other termination of employment of the NEO, a change of control of the Company or a change in the NEO's responsibilities following a change of control of the Company.

#### *Compensation Review Process*

The Company does not have a formal compensation program. The Company's officers in most cases are compensated based on a daily or fixed monthly, amounts and are paid indirectly through professional management and consulting companies in which they are owners, contractors or employees. In establishing fees or salaries for the Company's CEO, other executive officers and directors, consideration is given to salary ranges for comparable positions in similar size resource industry companies. Data for such comparisons is obtained from the evaluation of compensation against industry peers including those with a similar market capitalization, in the business of exploring similar minerals in similar jurisdictions, and from reviewing similar other companies' compensation information included in their information circulars. In setting salaries within competitive ranges, the Company considers performance related factors including the Company's overall results during the past year and its performance relative to a budgeted plan or stated objectives. Consideration also is given to an individual's contribution to the Company and the accomplishments of departments for which that officer has management responsibility, and the potential for future contributions to the Company.

In keeping with the relatively simple compensation structure adopted by most venture issuers, the Company's executive compensation for its executive officers has two primary components, cash compensation and incentive stock options.

#### *Compensation Risk Assessment and Mitigation*

Although the Company does not have formal policies specifically targeting risk-taking in a compensation context, the practice of management and the Board is to consider all factors relating to an executive officer's performance, including any risk mitigation efforts or excessive risk-taking, in determining compensation.

Under the Company's policies, executive officers and directors are not permitted to purchase financial instruments (including prepaid variable contracts, equity swaps, collars or units of exchange funds) that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held directly or indirectly by the executive officer or director.

#### *Elements of Executive Compensation Program*

The Company's compensation program consists of the following elements:

- (a) base salary or consulting fees;
- (b) bonus payments; and



(c) equity participation through the Plan.

#### *Base Salary or Consulting Fees*

Base salary ranges for NEOs were initially determined upon review of salaries paid by other companies that are comparable in size to the Company.

In determining the base salary of a NEO, the Board considers the following factors:

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

#### *Bonus Payments*

Each of the NEOs, as well as all employees, are eligible for an annual bonus, payable in cash or through option-based compensation. The amount paid is based on the Board's assessment of the Company's performance for the year. Factors considered in determining bonus amounts include individual performance, financial criteria (such as cash management and share price performance) and operational criteria (such as significant acquisitions of mineral properties and the attainment of corporate milestones). The Company did not award any bonuses during its financial year ended July 31, 2023.

#### *Equity Participation*

The Company currently offers equity participation in the Company through the Plan.

#### *Executive Compensation*

Except for the grant of Options to the NEOs and any compensation payable pursuant consulting fees incurred for the performance of duties by the CEO the CFO there are no additional arrangements under which NEOs were compensated by the Company during the two most recently completed financial years for their services in their capacity as NEOs, directors or consultants.

#### *Director Compensation*

The Company does not currently pay compensation to non-management directors, nor are they paid for attendance at board meetings. The directors are reimbursed for expenses occurred in carrying out their duties as directors and are granted Options from time to time.

The Plan allows the Company to grant Options to the officers, employees and directors. The purpose of granting such Options is to assist the Company in compensating, attracting, retaining and motivating the directors of the Company and to closely align the personal interests of such persons to that of the Shareholders.



**MANAGEMENT CONTRACTS**

No management functions of the Company are performed to any substantial degree by a person other than the Board or NEO's of the Company.

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

The following table sets forth as at the year ended July 31, 2023, the number of securities authorized for issuance under the Company's Plan which was approved by the shareholders of the Company at the last annual general meeting on July 25, 2023:

Plan Category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	2,500,000	\$0.08	3,851,539 <sup>1</sup>
Equity compensation plans not approved by security holders	—	—	—
Total	2,500,000	\$0.08	3,851,539 <sup>1</sup>

**NOTES:**

1. The above numbers are based on 10% of the issued and outstanding Common Shares of 73,515,389 as at May 27, 2024 (less 1,000,000 options exercised to date under the Plan).

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As at the date hereof, no director or executive officer of the Company, no proposed nominee for election as a director of the Company, no associate of any such director, executive officer or proposed nominee (including companies controlled by them), no employee of the Company or any of its subsidiaries, and no former executive officer, director or employee of the Company or any of its subsidiaries, is indebted to the Company or any of its subsidiaries (other than for "routine indebtedness" as defined under applicable securities legislation) or is indebted to another entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Except as otherwise disclosed herein or as previously disclosed in an information circular of the Company, no informed person (i.e. insider) of the Company, no proposed director of the Company, and no associate or affiliate of any informed person or proposed director has had any material interest, direct or indirect, in any transaction since July 31, 2023 or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

**INFORMATION ON CORPORATE GOVERNANCE**

The following information of the Company's Corporate Governance Policy is given in accordance with Form 58-101F2 of National Instrument 58-101.



## **Board of Directors**

The Board is currently composed of four directors, and it is proposed that four directors will be nominated at the Meeting.

Form 58-101F2 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors under NI 58-101, which provides that a director is independent if he or she has no direct or indirect "material relationship" with the Company. "Material relationship" is defined as a relationship which could, in the view of the Company's Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

Of the proposed nominees, two (2) nominees, Corbin Stewart and Lawrence Nagy are considered "not independent" as Mr. Stewart is the current President and CEO and is considered an "inside" or management director and Mr. Nagy as the former President and CEO the prescribed period has not expired therefore is considered to have a material relationship. The Board does not believe this to interfere with the Mr. Nagy's ability to exercise his independent judgement. Each of the remaining two (2) proposed directors Messer's Lindqvist and Parratt are considered by the Board to be "independent", within the meaning of NI 52-110. The independent board determines executive compensation from time to time.

## **Directorships**

The following table sets forth the directors of the Company who currently hold directorships on other reporting issuers:

Name of Director	Other Issuer
Lawrence Nagy	Golden Ridge Resources Ltd.
William Lindqvist	Golden Ridge Resources Ltd.

## **Orientation and Continuing Education**

The Board does not have a formal orientation and education program for new directors. Upon joining the Board, each director is provided with an orientation program regarding the role of the Board, its committees and its directors, and the nature and operation of the Company's current and past business. They are also provided with a copy of the audit committee charter.

The Board encourages directors to participate in continuing education opportunities in order to ensure that the directors may maintain or enhance their skills and abilities as directors and maintain a current and thorough understanding of the Company's business.

## **Ethical Business Conduct**

Corporate governance is the structure and process used to direct and manage the business and affairs of a corporation with the objective of enhancing shareholder value. The Board believes that the Company has in place corporate governance practices that are both effective and appropriate to the Company's size and business operations.

To facilitate meeting this responsibility, the Board seeks to foster maintaining a culture of ethical business conduct and social responsibility as critically important. Management consistently strives to instill the Company's principles into the practices and actions of the Company's management and employees.



In that regard, the Board adopted a written **Code of Business Conduct** (the “Code”) for its directors, officers, employees and consultants. A copy of the Code can be found on the Company website at [www.damarargoldcorp.com](http://www.damarargoldcorp.com) and has been posted on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Nomination of Directors**

The Board has not established a nominating committee. In circumstances where the Company needs to nominate new directors, current directors put forward candidates to the Board for consideration and potential nomination as a director.

### **Compensation**

The Company has not yet established a compensation committee and to date, decisions regarding compensation for the directors and the executive officers have been made by the independent board members.

### **Other Board Committees**

The Company has no committees other than the audit committee. The Company is small and until now the duties of the recommended committees have been performed by the plenary Board. Going forward, upon the expansion in the size of the Board, the Board will review its corporate governance practices and consider, among other matters, whether it would be desirable to establish additional committees of the Board.

### **Assessments**

The Board has not yet established a formal performance review process for assessing the effectiveness of the Board, the audit committee or the individual directors. It is expected that the contributions of an individual director are informally monitored by the other Board members, having in mind the business strengths of the individual and the reasons for which the individual was nominated for appointment to the Board. The Company will continue to develop its approach to corporate governance in light of its own circumstances and what are recognized as best practices in this area.

## **DISCLOSURE BY VENTURE ISSUERS**

NI 52-110F2 requires the Company as a ‘venture issuer’ to disclose annually in its information circular the following information concerning the audit committee and its relationship with its independent auditors.

### **Audit Committee Charter**

The audit committee is governed by its charter, which is set out in the attached Schedule “A” of this Circular.

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

A member of the audit committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of an issuer’s board of directors, reasonably interfere with the exercise of a member’s independent judgment or is one of the relationships that is deemed material, which are described above under *Board of Directors*.

A member of the audit committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.



The current members of the audit committee are William Lindqvist, Ronald Parratt and Mr. Nagy. All members of the audit committee are financially literate as defined in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) and Mr. Lindqvist and Mr. Parratt are considered independent pursuant to NI 52-110. Mr. Nagy is considered “not independent” as the former President and CEO until May 13, 2024 wherein the prescribed period has not expired therefore he is considered to have a material relationship. The Board does not believe this to interfere with the Mr. Nagy’s ability to exercise his independent judgement.

### **Relevant Education and Experience**

**Lawrence Nagy, B.A. Geology** has over 40 years of experience in the mineral resource industry. He obtained a B.A. degree in Geology from the University of Saskatchewan in 1966 before spending the next 16 years working for Cominco Ltd. on projects in western Canada and Australia and was a co-founder of Keewatin Engineering Ltd., a Vancouver-based geological consulting company responsible for managing exploration projects worldwide. Mr. Nagy provides broad international mineral exploration experience through his past management of a variety of successful junior resource companies, including Loki Gold Corp., Oliver Gold Corp. and Brett Resources Ltd and Golden Ridge Resources Ltd.

**William Lindqvist, Ph.D** served as Vice President of Exploration for Homestake Mining Company and the Executive General Manager of Exploration for Newcrest Mining Limited. Mr. Lindqvist has a Ph.D in Applied Geology from the Royal School of Mines in London. Additionally, Mr Lindqvist has served as director and a member of audit committees over the past several years for Canadian public companies and has developed an understanding of financial reporting sufficient to enable him to act as a member of the Audit Committee.

**Mr. Parratt**, has over 40 years of exploration experience for precious metals including service with Santa Fe Pacific Gold Corp., Homestake Mining Company, AuEx Ventures Inc. and Renaissance Gold Inc. During his years of precious metals experience, Mr. Parratt had direct involvement in the discovery of several large gold deposits, including Rabbit Creek (now Twin Creeks (>10 million ounces), Lone Tree (5 million ounces), Trenton Canyon (1 million ounces), Gold Hill (2 million ounces) and Long Canyon (>3 million ounces) gold mines in the Great Basin of Nevada. Mr. Parratt is a graduate of Purdue University with degrees in geochemistry and economic geology. He is a Certified Professional Geologist with the American Institute of Professional Geologists, a Registered Geologist in California and a Professional Geologist in Wyoming. He is a Fellow of the Society of Economic Geologists and a past President of the American Exploration and Mining Association. Ron is a Distinguished Member of Society for Mining, Metallurgy and Exploration and President Elect of the society. He is also a member of the elite Casey Explorers’ League. Through his involvement with these companies, Mr. Parratt has developed an understanding of financial reporting sufficient to enable him to act as a member of the Audit Committee.

### **Audit Committee Oversight**

At no time since the commencement of the Company’s most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

### **Reliance on Certain Exemptions**

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 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 (*Exemptions*).



**Pre-Approval Policies and Procedures**

As at the date of this Circular, the Audit Committee has not adopted any specific policies or procedures for the engagement of non-audit services.

**External Auditor Service Fees (By Category)**

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees <sup>1</sup>	Audit Related Fees <sup>2</sup>	Tax Fees <sup>3</sup>	All Other Fees <sup>4</sup>
July 31, 2023	\$22,500	\$Nil	\$2,500	\$Nil
July 31, 2022	\$22,000	\$Nil	\$2,500	\$Nil

- 1 The Audit Fees are fees billed by the Company's external auditor for services provided in auditing the annual financial statements.
- 2 Audit Related Fees are fees billed for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements.
- 3 Tax Fees are fees billed by the external auditor for tax compliance, tax advice and planning.
- 4 All Other Fees are fees billed by the external auditor for products and services not included in the categories described above.

**Exemption for Venture Issuers**

The Company is a "venture issuer" as defined in NI 52-110 and is relying on the exemption contained in Section 6.1 of NI 52-110, which exempts the Company from the requirements of Parts 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

**OTHER MATTERS**

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

**ADDITIONAL INFORMATION**

Additional information relating to the Company is available through the internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) which can be accessed at [www.sedarplus.ca](http://www.sedarplus.ca). Comparative financial information on the Company for the year ended July 31, 2023, together with the auditors' report thereon and management discussion and analysis of the Company will be presented at the Meeting and which can also be accessed at [www.sedarplus.ca](http://www.sedarplus.ca). Shareholders may request copies of the Company's financial statements and MD&A by contacting the Company at 335 – 1632 Dickson Ave, Kelowna BC V1Y 7T2.





**BOARD APPROVAL**

The content and sending of this Circular has been approved by the Company's Board. The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED at West Kelowna, British Columbia, this 27<sup>th</sup> day of May, 2024.

**BY THE ORDER OF THE BOARD OF DIRECTORS**

***"Corbin Stewart"***

**Corbin Stewart  
President and Chief Executive Officer**



## **SCHEDULE "A"**

### **DAMARA GOLD CORP. (the "Company")**

#### **AUDIT COMMITTEE'S CHARTER (the "Charter")**

##### *Mandate*

The primary function of the audit committee (the "**Committee**") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements.
- Review and appraise the performance of the Company's external auditors.
- Provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

##### *Composition*

The Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

##### *Meetings*

The Committee shall meet a least once annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

##### *Responsibilities and Duties*

To fulfill its responsibilities and duties, the Committee shall:



#### Documents/Reports Review

- (a) Review and update this Charter annually.
- (b) Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

#### External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.
- (b) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
  - ii. such services were not recognized by the Company at the time of the engagement to be non-audit services; and



- iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

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

#### *Financial Reporting Processes*

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

#### *Other*

- (a) Review, with the Company's counsel, any legal matters that could have a significant impact on the Company's financial statements and to review any related-party transactions.
- (b) Perform such other functions consistent with this Charter, the Company's Articles and governing law, as the Committee deems necessary or appropriate. And
- (c) In absence of an appointed Compensation Committee and/or Corporate Governance committee the Committee shall act in lieu of in accordance with the policies, mandate or guidelines determined by the Board or consistent with industry standards.



**SCHEDULE "B"**

**DAMARA GOLD CORP.**  
(the "Company")

**Stock Option Plan**  
(the "Plan")

**Damara Gold Corp**  
**Stock Option Plan**

**Part 1**  
**Interpretation**

1.01 Definitions In this plan the following words and phrases shall have the following meanings, namely:

- (a) **“Blackout Period”** has the meaning given to such term in the policies of the TSX Venture Exchange.
- (b) **“Board”** means the board of directors of the Company or, if the Board so elects, a committee (which may consist of only one person) appointed by the Board from its members to administer this Plan.
- (c) **“Change of Control”** means the acquisition by any person or by any person and a joint actor, whether directly or indirectly, of voting securities of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a joint actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board;
- (d) **“Company”** means Damara Gold Corp.
- (e) **“Consultant”** means an individual or Consultant Company other than an Employee or a Director, that:
  - i. is engaged to provide on an ongoing *bona fide* basis, consulting, technical, management or other services to the Company or to an affiliate of the Company, other than services provided in relation to a distribution,
  - ii. provides the services under a written contract between the Company or the affiliate and the individual or a Consultant Company,
  - iii. in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the company or an affiliate of the Company, and
  - iv. has a relationship with the Company or an affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company;
- (f) **“Consultant Company”** means a Consultant that is a Company the individual consultant is an employee or shareholder;
- (g) **“Director”** means a director (as defined under Securities Laws) of an Issuer or of any of its subsidiaries.;
- (h) **“Disinterested Shareholder”** means a holder of Shares that is not an Insider or an associate (as defined in the *Securities Act* (British Columbia)) of an Insider.

- (i) **“Eligible Persons”** has the meaning given to that term in paragraph 2.0 hereof.
- (j) **“Employee”** means:
  - i. an individual who is considered an employee of the Company or its subsidiary under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source),
  - ii. an individual who works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work, as an employee of the Company, but for whom income tax deductions are not made at source, or
  - iii. an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;
- (k) **“Exchange”** means the TSX Venture Exchange or, if the Shares are no longer listed for trading on the TSX Venture Exchange, such other exchange or quotation system on which the Shares are listed or quoted for trading;
- (l) **“Insider”** has the meaning given to such term in the policies of the Exchange;
- (m) **“Investor Relations Activities”** as defined in the policies of the Exchange;
- (n) **“Investor Relations Service Provider”** includes any Consultant that performs Investor Relations Activities and any Director, Officer, Employee or Management Company Employee whose role and duties primarily consist of Investor Relations Activities
- (o) **“Issuer”** means Damara Gold Corp.;
- (p) **“Management Company Employee”** means an individual employed by a person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a person involved in Investor Relations Activities;
- (q) **“Market Price”** has the meaning ascribed to such term in in the policies of the Exchange;
- (r) **“Officer”** means an officer (as defined under Securities Laws) of an Issuer or of any of its subsidiaries. .
- (s) **“Option”** means an option to purchase Shares granted to an Optionee under this Plan;
- (t) **“Optionee”** means each of the Eligible Persons granted an Option pursuant to this Plan and their heirs, executors and administrators.
- (u) **“Person”** has the meaning given to such term in the policies of the Exchange;
- (v) **“Plan”** means this stock option plan as from time to time amended.

- (w) “**Security Based Compensation**” has the meaning given to such term in the policies of the Exchange:
- (x) “**Security Based Compensation Plan**” has the meaning given to such term in the policies of the Exchange;
- (y) “**Shares**” means common shares of the Company.

## **Part 2**

### **Purpose of Plan**

2.01 **Purpose** The Company hereby establishes a stock option plan for Directors, Officers, Employees, Management Company Employees and Consultants (as such terms are defined hereinabove) of the Company and its subsidiaries (collectively “**Eligible Persons**”), attract and retain Eligible Persons and to motivate them to advance the interest of the Company by affording them with the opportunity to acquire an equity interest in the Company by being granted Options.

## **Part 3**

### **Granting of Options**

3.01 **Administration** This Plan shall be administered by the Board.

3.02 **Grant by Resolution** The Board may determine by resolution those Eligible Persons to whom Options should be granted and grant to them such Options as the Board determines to be appropriate. Such grant shall be deemed to be a representation by the Company that the Optionee is an Eligible Person.

3.03 **No Grants if Listed on NEX** The Board shall not grant any Options if the Shares are listed on the NEX Board of the Exchange or the Company has been given notice that its listing will or might be transferred to NEX.

3.04 **Terms of Option** The Board shall determine and specify in its resolution the number of Shares that should be placed under Option to each Eligible Person, the price per Share to be paid for such Shares upon the exercise of each such Option, and the period during which such Option may be exercised.

3.05 **Written Agreement** Every Option shall be evidenced by a written agreement between the Company and the Optionee substantially in the form attached to this Plan. If there is any inconsistency between the terms of the agreement and this Plan the terms of this Plan shall govern.

## **Part 4**

### **Conditions Governing the Granting & Exercising of Options**

4.01 **Agreements must specify Exercise Period and Price, Vesting and Numbers of Shares** In granting an Option, the Board must specify a particular time period or periods during which the Option may be exercised, the exercise price required to purchase the Shares subject to the Option and any vesting terms and conditions of the Option, including the number of Shares in respect of which the Option may be exercised during each such time period.

4.02 **Minimum Exercise Price of Options** The exercise price of an Option shall not be less than the Market Price at the time of granting the Option. If the Optionee is subject to the tax laws of the United



States of America and owns (as determined in accordance with such laws) greater than 10% of the Shares at the time of granting of the Option the exercise price shall be at least 110% of the Market Price. If the Shares are listed on the Exchange, no Options shall be granted which are exercisable at a price of less than CAD (\$) 0.05 per Share.

4.03 Number of Shares subject to Option The maximum aggregate number of Shares that are issuable pursuant to Security Based Compensation granted or issued under the Plan and all of the Company's other previously established or proposed Security Based Compensation plans (to which the following limits apply under Exchange policies):

- (a) the aggregate number of Shares reserved for issuance under the Plan (including all Security Based Compensation Plans) which may be made subject to Options at any time and from time to time shall not exceed 10% of the total number of issued and outstanding Shares, on a non-diluted basis, as constituted on the date of grant of such Option;
- (b) to all Eligible Persons as a group (including for greater certainty Insiders (as a group)) shall not exceed 10% of the total number of issued and outstanding Shares on a non-diluted basis at any point in time;
- (c) to Insiders (as a group) in any 12-month period shall not exceed 10% of the total number of issued and outstanding Shares on a non-diluted basis on the Grant Date, unless the Company has obtained the requisite disinterested shareholder approval pursuant to applicable Exchange policies;
- (d) to any one Person or Eligible Person (including, where permitted under applicable policies of the Exchange, any companies that are wholly owned by such Eligible Person in any 12-month period shall not exceed 5% of the total number of issued and outstanding Shares on a non-diluted basis on the date of grant, unless the Company has obtained the requisite disinterested shareholder approval pursuant to applicable Exchange policies.
- (e) to any one Consultant in any 12-month period shall not exceed 2% of the total number of issued and outstanding Shares on a non-diluted basis on the date of grant; and
- (f) to Investor Relations Service Providers (as a group) in any 12-month period shall not exceed 2% of the total number of issued and outstanding Shares on a non-diluted basis on the date of grant, and Investor Relations Service Providers shall not be eligible to receive any Security Based Compensation other than Options if the Shares are listed on the Exchange at the time of any issuance or grant.

4.04 Vesting of Options Subject to further vesting requirements required by the Board on granting of an Option, all Options shall vest and be exercisable on the following terms:

- (a) *If Optionee is Providing Investor Relations Services:* If the Optionee is a Consultant providing investor relations services to the Company, any Option granted to the Consultant must vest in stages over at least 12 months with no more than one quarter of the Option vesting in any three month period.
- (b) *If there is a Change of Control:* If a change of control is agreed to by the Company or events which might lead to a Change of Control are commenced by third parties, all Options, subject to the (subject to the approval of the Exchanges with respect to Investor Relations Service Providers) shall vest immediately and be fully exercisable

notwithstanding the terms thereof. To permit Optionees to participate in any of the foregoing, the Board may make appropriate provision for the exercise of Options conditional upon the Shares so issued being taken-up and paid for pursuant to any of the foregoing.

Subject to the approval of the Exchange if the Optionee is a consultant providing investor relations services for the Company, the Board may advance, at any time, the dates upon which any or all Options shall vest and become exercisable, regardless of the terms of vesting set out in this Plan or the agreement.

4.05 Expiry of Options Each Option shall expire not later than 10 years from the day on which the Option is granted.

4.06 Expiry of Options during or immediately after Trading Blackout Periods If an Option expires during, or within five trading days after, a Blackout Period then, notwithstanding section 4.05 or the terms of the Option, the term of the Option shall be extended and the Option shall expire 10 trading days after the termination of the Blackout Period.

4.07 Death or Disability of Optionee If an Optionee dies or suffers a Disability prior to the expiry of an Option, the Optionee's legal representatives, before the earlier of the expiry date of the Option and the first anniversary of the Optionee's death or Disability, may exercise that portion of an Option which has been vested as at the date of death or Disability. For the purposes hereof "**Disability**" shall mean any inability of the Optionee arising due to medical reason which the Board considers likely to permanently prevent or substantially impair Optionee being an Employee, Consultant, Officer or Director.

4.08 Cessation as an Optionee (Involuntary or not on request) If an Optionee ceases to be an Eligible Person through:

- (a) removal as Director;
- (b) dismissal or termination as an Officer, Consultant, Management Employee or Employee (whether or not 'for cause'); or
- (c) resignation where such resignation is not made at the request of the Board or for the benefit of any Director or Officer,

then, notwithstanding the Optionee continuing to fall within another of such categories, any Option shall terminate immediately on such removal, dismissal, termination or resignation and not be exercisable by the Optionee unless otherwise determined by the Board.

4.09 Cessation as an Optionee (voluntary on request) If an Optionee ceases to be an Eligible Person for any reason except as provided in sections 4.07 or 4.08, any Option shall be exercisable to the extent that it has vested and was exercisable as at the date of such cessation, unless further vesting is permitted by the Board, and must terminate on the earlier of the expiry date of the Option and:

- (a) the 90<sup>th</sup> day after the date the Optionee ceased to be an Eligible Person, or such later date as may be reasonably determined by the Board, notwithstanding such later date may not exceed 12 months from the date the Optionee ceased to be and Eligible Person.

If the Shares are listed on the Exchange, disinterested shareholder approval shall be required for the extension of any Option period if the Optionee is an Insider of the Company at the time of the proposed amendment to the Option period.

4.10 No Assignment of Options No Optionee may assign any of his or her rights under the Plan or any option granted thereunder. Each Option Agreement will provide that the Options granted thereunder are not transferable or assignable.

4.11 Restriction on Resale of Shares Issued on exercise of an Option Unless an Option is exercisable for a price equal to or above the Market Price at the time the Option is granted, all Shares issued upon the exercise of the Option shall be subject to a four month hold period from the time the Option was granted and sold and, in accordance with the Exchange's Policies, the certificates representing such Shares shall be legended accordingly.

4.12 Notice of Exercise of an Option Options may be exercised only in accordance with the terms and conditions of the agreements under which they are respectively granted and shall be exercisable only by notice in writing to the Company.

4.13 Payment on Exercise of an Option Options may be exercised in whole or in part at any time prior to their lapse or termination. Shares purchased by an Optionee on exercise of an Option shall be fully paid for in cash at the time of their purchase.

4.14 Conditions to Issuance of Shares The Board may require, as a condition of the issuance of Shares or delivery of certificates representing such Shares upon the exercise of any Option and to ensure compliance with any applicable laws, regulations, rules, orders and requirements that the Optionee or the Optionee's heirs, executors or other legal representatives, as applicable, make such covenants, agreements and representations as the Board deems necessary or desirable.

4.15 Withholding or Deduction of Taxes The Company may deduct, withhold or require an Optionee, as a condition of exercise of an Option, to withhold, pay, remit or reimburse any taxes or similar charges, which are required to be paid, remitted or withheld in connection with the exercise of any Option.

## **Part 5**

### **Reservation of Shares for Options**

5.01 Sufficient Authorized Shares to be Reserved Whenever the constating documents of the Company limit the number of authorized Shares, a sufficient number of Shares shall be reserved by the Board to satisfy the exercise of Options. Shares that were the subject of Options that have lapsed or terminated shall thereupon no longer be in reserve and may once again be subject to an Option.

5.02 Maximum Number of Shares to be Reserved Under Plan The aggregate number of Shares which may be subject to issuance pursuant to Options (including all Security Based Compensation Plans) shall be 10% of the outstanding Shares.

5.03 Maximum Number of Shares Reserved for Insiders Unless the Disinterested Shareholders have approved this Plan, all Options, together with all of the Company's other previously granted stock options, stock option plans, employee stock purchase plans or all other Security Compensation Plans or incentive mechanisms involving the issuance or potential issuance of Shares, are subject to the maximum limits outlined section 4.03 of the Plan :

## **Part 6**

### **Changes in Shares**

6.01 Share Consolidation or Subdivision Subject to Exchange approval, if the Shares are at any time subdivided or consolidated, the number of Shares reserved for Options shall be similarly increased or decreased and the price payable for any Shares that are then subject to issuance shall be decreased or increased proportionately, as the case may require, so that upon exercising each Option the same proportionate shareholdings at the same aggregate purchase price shall be acquired after such subdivision or consolidation as would have been acquired before.

6.02 Stock Dividend If the Shares are at any time changed as a result of the declaration of a stock dividend thereon, the number of Shares reserved for Options and the price payable for any Shares that are then subject to issuance subject to Exchange approval may be adjusted by the Board to such extent as they deem proper.

## **Part 7**

### **Exchange's Rules & Policies Apply**

7.01 Exchange's Rules and Policies Apply This Plan and the granting and exercise of any Options are also subject to such other terms and conditions as are set out from time to time in the rules and policies on stock option of the Exchange and any securities commission having authority and such rules and policies shall be deemed to be incorporate into and become a part of this Plan. If there is an inconsistency between the provisions of such rules and policies and of this Plan, the provisions of such rules and policies of the Exchange shall govern.

## **Part 8**

### **Amendment of Plan & Options**

8.01 Board May Amend Plan or Options Subject to the approval of all holders of Shares or the Exchange as maybe required, the Board may amend or terminate this Plan or any Options but no such amendment or termination, except with the written consent of the Optionees concerned or unless required to make this Plan or the Options which have not then been exercised or terminated.

8.02 Shareholder Approval The approval of Disinterested Shareholders for an amendment to this Plan or any Option shall be required in respect of Options granted to Insiders involving:

- (a) a reduction of the exercise price, including a reduction effected by cancelling an existing Option and granting a new Option exercisable at a lower price within the subsequent one year period; or
- (b) the extension of expiry of any Option held by an Insider.

Approval by all holders of Shares, whether the holders are Disinterested Shareholders or not, is required for:

- (a) an increase in the number of Shares, or Percentage of the outstanding Shares, reserved for issuance under this Plan; or
- (b) a change from a fixed number to a fixed percentage of the outstanding Shares, or from a fixed percentage to a fixed number, in the number of Shares reserved for issuance under this Plan.

No approval by any holders of Shares is required for:

- (a) amendments to fix typographical errors; and
- (b) amendments to clarify existing provisions of the Plan or all other Security Based Compensation Plans that do not have the effect of altering the scope, nature and intent of such provisions.

8.03 Exchange Approval Required Any amendments to this Plan or Options shall not become effective until such amendments have been accepted for filing by the Exchange.

## **Part 9**

### **Effect of Plan on Other Compensation Plans**

9.01 Other Plans Not Affected This Plan and all other Security Based Compensation Plans shall not in any way affect the policies or decisions of the Board in relation to the remuneration of Eligible Persons.

## **Part 10**

### **Optionee's Rights as a Shareholder**

10.01 No Rights Until Option Exercised An Optionee shall be entitled to the rights pertaining to share ownership, such as to dividends, only with respect to Shares that have been fully paid for and issued to the Optionee upon exercise of an Option.

## **Part 11**

### **Effective Date of Plan**

11.01 Effective Date This Plan shall become effective upon the later of the acceptance for filing of this Plan by the Exchange and the approval of this Plan at a meeting of the holders of Shares. Options may be granted, but not exercised, prior to the receipt of such approvals. Thereafter this plan shall be approved by the holders of the Shares annually. If such annual approvals are not obtained, Options may no longer be granted.

11.02 Termination This plan shall terminate only upon a resolution to that effect being passed by the Board. Any Options shall continue to be exercisable according to their terms after the termination of this Plan.

**SCHEDULE "A"**

**DAMARA GOLD CORP.**

**STOCK OPTION PLAN - OPTION AGREEMENT**

This Option Agreement is entered into between Damara Gold Corp. (the "Company") and the Optionee named below pursuant to the Company Stock Option Plan (the "Plan"), a copy of which is attached hereto, and confirms that:

1. on ●, ● (the "Grant Date");
2. ● (the "Optionee");
3. was granted the option (the "Option") to purchase ● Common Shares (the "Option Shares") of the Company;
4. for the price (the "Option Price") of \$● per share;
5. which shall be exercisable in full upon approval [OR set forth applicable vesting schedule];
  - In accordance with the vesting provisions set out in item 4.04 of the Plan;  
or
  - The following vesting provisions: over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting.  
or
  - No vesting restrictions applicable;
6. terminating on the ●, ● (the "Expiry Date");

all on the terms and subject to the conditions set out in the Plan. For greater certainty, Option Shares continue to be exercisable until the termination or cancellation thereof as provided in this Option Agreement and the Plan.

To exercise your Option, deliver a written notice specifying the number of Optioned Shares you wish to acquire, together with cash or a certified cheque payable to the Company for the aggregate Exercise Price, to the Company. A certificate for the Optioned Shares so acquired will be issued by the transfer agent as soon as practicable thereafter.

The Company and the Optionee represent that the Optionee under the terms and conditions of the Plan is a bona fide [DIRECTOR/ OFFICER/ EMPLOYEE/ CONSULTANT/ MANAGEMENT COMPANY EMPLOYEE/ INVESTOR RELATIONS] (mark applicable relationship) of the Company, entitled to receive Options under TSX Venture Exchange Policies.

By signing this Option Agreement, the Optionee acknowledges that the Optionee has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

**Acknowledgement – Personal Information**

The undersigned hereby acknowledges and consents to:

- (a) the disclosure to the TSX Venture Exchange and all other regulatory authorities of all personal information of the undersigned obtained by the Company; and
- (b) the collection, use and disclosure of such personal information by the TSX Venture Exchange and all other regulatory authorities in accordance with their requirements, including the provision to third party service providers, from time to time.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the ● day of ●, ●.

**DAMARA GOLD CORP.**

Per: \_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Address

**DAMARA GOLD CORP.**

**STOCK OPTION PLAN – EXERCISE NOTICE**

To: Damara Gold Corp. (the “Company”)

The undersigned hereby irrevocably gives notice, pursuant to the Company’s stock option plan (the “Plan”), of the exercise of the option to acquire and hereby subscribes for:

- (a) all of the shares; or
- (b) \_\_\_\_\_ of the shares, which are the subject of the option certificate attached hereto.

Calculation of the total exercise price:

- (i) number of shares to be acquired on exercise: \_\_\_\_\_ shares
- (ii) multiplied by the exercise price per share: \$ \_\_\_\_\_
- (iii) withholding taxes calculated \$ \_\_\_\_\_
- TOTAL EXERCISE PRICE, enclosed herewith: \$ \_\_\_\_\_

The undersigned tenders herewith a certified cheque, bank draft or wire transfer in an amount equal to the total exercise price of the aforesaid shares, as calculated above, and directs the Company to issue the share certificate evidencing said shares in the name of the undersigned to be mailed to the undersigned at the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Signature of Option Holder

\_\_\_\_\_  
Name of Option Holder (please print)