

PHOENIX GOLD RESOURCES CORP.
Suite 1518 – 800 West Pender Street
Vancouver, BC V6C 2V6
Telephone: 778-302-2257

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF
PHOENIX GOLD RESOURCES CORP.**

TO THE SHAREHOLDERS:

An Annual General and Special Meeting (the “**Meeting**”) of the shareholders of Phoenix Gold Resources Corp. (“**Phoenix Gold**” or the “**Company**”) will be held at Suite 700 – 595 Burrard Street, Vancouver, British Columbia on **Friday, February 18, 2022** at 10:00 a.m. (Vancouver time) for the following purposes:

1. to receive the audited financial statements of Phoenix Gold for the financial year ended January 31, 2021 together with the auditor’s report thereon;
2. to appoint auditors for Phoenix Gold for the ensuing financial year and to authorize the directors to fix the remuneration to be paid to the auditors;
3. to fix the number of directors to be elected at the Meeting at five (5) and to elect directors to hold office until the next Annual General Meeting, as more particularly described in the accompanying management information circular (the “**Circular**”);
4. to ratify, confirm and approve the Company's stock option plan described in the Circular as the "Option Plan";
5. to ratify, confirm and approve the Company's restricted share unit option plan described in the Circular as the "RSU Plan";
6. to approve delisting from the TSX Venture Exchange and listing on the Canadian Securities Exchange, as more particularly described in the accompanying Information Circular; and
7. to transact such other business as may properly come before the Meeting.

The Circular and a form of proxy (the “**Proxy**”) accompany this Notice of Meeting. The Circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this Notice of Meeting.

A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy holder to attend and vote in his or her place. If you are unable to attend the Meeting or any adjournment in person, please read the notes accompanying the enclosed form of Proxy and then complete, sign, and date the Proxy and return it within the time and to the location set out in the notes. Phoenix Gold's management is soliciting the enclosed form of Proxy but, as set out in the notes, you may amend the Proxy if you wish by striking out the names listed and inserting in the space provided the name of the person you want to represent you at the Meeting.

If you are a non-registered shareholder and have received this notice and accompanying Circular from your broker or another intermediary, please complete and return the voting instruction or other authorization form provided to you by your broker or other intermediary in accordance with the instructions provided to you.

Please advise Phoenix Gold of any change in your address.

DATED at Vancouver, British Columbia, this 19th day of January, 2022.

BY ORDER OF THE BOARD OF DIRECTORS

"Andrew Lee" (signed)

Andrew Lee,
President and Chief Executive Officer

PHOENIX GOLD RESOURCES CORP.
Suite 1518 – 800 West Pender Street
Vancouver, BC V6C 2V6
Telephone: 778-302-2257

MANAGEMENT INFORMATION CIRCULAR

as of January 19, 2022 (unless otherwise noted)

MANAGEMENT SOLICITATION OF PROXIES

This Management Information Circular (the “Circular”) is furnished to you in connection with the solicitation of proxies by management of Phoenix Gold Resources Corp. (“we”, “us”, “Phoenix Gold” or the “Company”) for use at the annual general and special meeting (the “Meeting”) of shareholders (the “Shareholders”) of the Company to be held on Friday, February 18, 2022 and at any adjournment of the Meeting. We will conduct the solicitation by mail and our officers, directors and employees may, without receiving special compensation, contact shareholders by telephone, electronic means or other personal contact. We will not specifically engage employees or soliciting agents to solicit proxies. We do not reimburse shareholders, nominees or agents (including brokers holding shares on behalf of clients) for their costs of obtaining authorization from their principals to sign forms of proxy. We will pay the expenses of this solicitation.

APPOINTMENT OF PROXY HOLDER

The persons named as proxy holders in the enclosed form of proxy are our directors or officers. **As a Shareholder, you have the right to appoint a person (who need not be a Shareholder) in place of the persons named in the form of proxy to attend and act on your behalf at the Meeting. To exercise this right, you must either insert the name of your representative in the blank space provided in the form of proxy and strike out the other names or complete and deliver another appropriate form of proxy.**

A proxy will not be valid unless it is dated and signed by you or your attorney duly authorized in writing or, if you are a corporation, by an authorized director, officer, or attorney of the corporation.

VOTING BY PROXY

The persons named in the accompanying form of proxy will vote or withhold from voting the common share of the Company (the “Phoenix Gold Shares”) represented by the proxy in accordance with your instructions, provided your instructions are clear. If you have specified a choice on any matter to be acted on at the Meeting, your Phoenix Gold Shares will be voted or withheld from voting accordingly. If you do not specify a choice or where you specify both choices for any matter to be acted on, your Phoenix Gold Shares will be voted in favour of all matters.

The enclosed form of proxy gives the persons named as proxy holders discretionary authority regarding amendments or variations to matters identified in the respective Notice of Meeting and any other matter that may properly come before the Meeting. As of the date of this Circular, Phoenix Gold's management is not aware of any such amendment, variation or other matter proposed or likely to come before the Meeting. However, if any amendment, variation or other matter properly comes before the Meeting, the persons named in the form of proxy intend to vote on such other business in accordance with their judgement.

You may indicate the manner in which the persons named in the enclosed proxy are to vote on any matter by marking an “X” in the appropriate space. If you wish to give the persons named in the proxy a discretionary authority on any matter described in the proxy, then you should leave the space blank. **In that case, the management nominated proxy holders will vote the Phoenix Gold Shares represented by your proxy in accordance with their judgment.**

RETURN OF PROXY

Shareholders are invited to complete the attached form of proxy and to send it to Computershare, 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 or to Phoenix Gold's head office at the address listed on the Notice of Meeting, not less than 48 hours, excluding Saturdays, Sundays and holidays, preceding the Meeting or any adjournment of the Meeting.

ADVICE TO NON-REGISTERED SHAREHOLDERS

Only Shareholders whose names appear on the records of our registrar and transfer agent, Computershare, or validly appointed proxy holders are permitted to vote at the Meeting. Most of our Shareholders are “non-registered” Shareholders because their Phoenix Gold Shares are registered in the name of a nominee, such as a brokerage firm, bank, trust company, trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan or a clearing agency such as CDS Clearing and Depository Services Inc. (a “**Nominee**”). If you purchased your Phoenix Gold Shares through a broker, you are likely a non-registered Shareholder.

Non-registered Shareholders who have not objected to their Nominee disclosing certain ownership information about themselves to us are referred to as “NOBOs”. Those non-registered Shareholders who have objected to their Nominee disclosing ownership information about themselves to us are referred to as “OBOs”.

In accordance with the securities regulatory requirements, we will have distributed copies of the Meeting Materials, being the Notice of Meeting, this Circular, and the form of proxy directly to NOBOs and to the Nominees for onward distribution to OBOs.

Nominees are required to forward the Meeting Materials to each OBO unless the OBO has waived the right to receive them. Phoenix Gold Shares held by Nominees can only be voted in accordance with the instructions of the non-registered Shareholder. Meeting Materials sent to non-registered Shareholders who have not waived the right to receive Meeting Materials are accompanied by a request for voting instructions (a “**VIF**”). This form is instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a non-registered Shareholder is able to instruct the registered Shareholder (or Nominee) how to vote on behalf of the non-registered Shareholder. VIF's, whether provided by Phoenix Gold or by a Nominee, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit non-registered Shareholders to direct the voting of the Phoenix Gold Shares which they beneficially own. Should a non-registered Shareholder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the non-registered Shareholder may request a legal proxy as set forth in the VIF, which will grant the non-registered Shareholder or his/her nominee the right to attend and vote at the Meeting. Non-registered Shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.

REVOCATION OF PROXY

If you are a registered Shareholder who has returned a proxy, you may revoke your proxy at any time before it is exercised. In addition to revocation in any other manner permitted by law, a registered Shareholder who has given a proxy may revoke it by either:

- (a) signing a proxy bearing a later date; or
- (b) signing a written notice of revocation in the same manner as the form of proxy is required to be signed as set out in the notes to the proxy.

The later proxy or the notice of revocation must be delivered to the office of Phoenix Gold's registrar and transfer agent, Computershare, or to Phoenix Gold's head office at any time up to and including the last business day before the scheduled time of the Meeting or any adjournment, or to the Chairman of the Meeting on the day of the Meeting or any adjournment.

If you are a non-registered Shareholder who wishes to revoke a VIF or to revoke a waiver of your right to receive Meeting Materials and to give voting instructions, you must give written instructions to your Nominee at least seven days before the Meeting.

VOTING SHARES AND PRINCIPAL SHAREHOLDERS

We are authorized to issue an unlimited number of common shares without par value, of which **48,840,317** common shares were issued and outstanding as of January 18, 2022.

The board of directors (the "**Board**") of the Company has fixed January 18, 2022 as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date will be entitled to receive notice of, attend, and vote at the Meeting, and only such shareholders who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their common shares voted at the Meeting. On a show of hands, every Shareholder and proxy holder will have one vote and, on a poll, every Shareholder present in person or represented by proxy will have one vote for each common share of the Company. In order to approve a motion proposed at the Meeting, a majority of more than 50% of the votes cast will be required to pass an ordinary resolution, and a majority of at least 66.7% (2/3) of the votes cast will be required to pass a special resolution.

To the knowledge of the Company's directors and executive officers, the following persons beneficially own, or control or direct, directly or indirectly, common shares (the "**Shares**") of the Company carrying more than 10% of the voting rights attached to the outstanding Shares as of January 18, 2022:

Name of Shareholder	Number of Shares Owned	Percentage of Issued and Outstanding Shares
Blair Naughty ⁽¹⁾	5,210,500	10.67%

(1) Blair Naughty owns 5,210,500 Shares through a company owned or controlled by him.

ELECTION OF DIRECTORS

Directors of Phoenix Gold are elected at each annual general meeting and hold office until the next annual general meeting or until that person sooner ceases to be a director. At the Meeting, Shareholders will be asked to pass the Directors' Resolution, being an Ordinary Resolution setting the number of directors at five (5), subject to increases permitted by Phoenix Gold's constating documents, and to elect directors for the ensuing year, as more particularly described below.

Unless you provide other instructions, the enclosed proxy will be voted for the nominees listed below, all of whom are presently members of the Board of Directors. Management does not expect that any of the nominees will be unable to serve as a director. If before the Meeting any vacancies occur in the slate of nominees listed below, the person named in the proxy will exercise his or her discretionary authority to vote the Shares represented by the proxy for the election of any other person or persons as directors.

Management proposes to nominate the persons named in the table below for election as director. The information concerning the proposed nominees has been furnished by each of them.

Name, Position & Jurisdiction of Residence	Employment History	Director Since	Number of Shares Beneficially Owned, Directly or Indirectly, or over which Control or Direction is Exercised
Andrew Lee ⁽¹⁾⁽²⁾ <i>Vancouver, British Columbia</i> Director	(See below for descriptions of principal occupations for the past five years.)	April 23, 2014	4,126,068 ³
Roger Baer ⁽¹⁾⁽²⁾ <i>Vancouver, British Columbia</i> Director	(See below for descriptions of principal occupations for the past five years.)	September 18, 2020	600,000
Walter Davidson ⁽¹⁾⁽²⁾ <i>Vancouver, British Columbia</i> Director	(See below for descriptions of principal occupations for the past five years.)	March 22, 2019	100,000
Bruce Durham <i>Toronto, Ontario</i> Director	(See below for descriptions of principal occupations for the past five years.)	January 19, 2022	nil
Doug Blanchflower <i>Vancouver, British Columbia</i> Director Nominee	(See below for descriptions of principal occupations for the past five years.)	Nominee	200,000

(1) Denotes member of the Audit Committee. Mr. Davidson is the Chair.

(2) Denotes member of the Corporate Governance and Compensation Committee. Mr. Davidson is the Chair.

(3) Andrew Lee owns 2,556,780 Shares directly and 1,569,288 Shares through a company owned or controlled by him.

Andrew Lee – Director

Andrew Lee is currently Chief Executive Officer and director of DeepRock Minerals Inc. since December 23, 2020. Mr. Lee has also been a director of Green 2 Blue Energy Corp. (CSE: GTBE) since March 2018 to October, 2020. In addition, Mr. Lee served as a director and a member of the audit committee for the

mining exploration company, Ecuador Gold and Copper Corp (TSXV: EGX) and has been an independent director of it from August 2014 to June 2015. He also served as a director of a junior mining company, Megastar Development Corp. (TSXV: MDV) from March 2011 to November 2012 and as its Vice-President from June to November 2010 and from September 2011 to November 2012. Previously, Mr. Lee served as a director of Plains Creeks Mining Limited, a private company that went public through a reverse takeover of Resource Hunter Capital Corp. (now named GB Minerals Ltd.) (TSXV: GBL) in February 2011. Mr. Lee holds a Bachelor of Science degree from the University of British Columbia.

Roger Baer – Director

Mr. Baer is a CPA and has over 30 years of accounting and financial management experience within the mining industry, having held financial management roles with Alacer Gold, Thompson Creek Metals, Newmont Mining Corporation, Kennecott (Rio Tinto) and Cyprus Amax. Most recently, Mr. Baer was the Chief Financial Officer of Excelsior Mining Corp. Currently, since July 2021 Roger has been the corporate controller for i-80 Gold Corp.

Walter Davidson – Director

Mr. Davidson was a director of GB Minerals Ltd. (TSXV: GBL), a Canadian mining exploration and development company focusing on development of its phosphate mineral project in Guinea-Bissau, West Africa From May 2012 to February 2018. In addition to serving as a Member of the Legislative Assembly of British Columbia, Canada for 16 years (1975 to 1991), Mr. Davidson was twice elected Speaker of the British Columbia Legislature over the period from 1982 to 1986. He has served on numerous Legislative Committees for the Province of British Columbia and was appointed as chairman to many of them. Mr. Davidson held office in the National Commonwealth Association which was a Canadian association of elected Canadian Provincial legislators. Between 1987 and 1988, he was appointed as chairman of Hazardous Waste Management Corporation, a British Columbia Crown Corporation. Prior to becoming a Member of the Legislative Assembly of British Columbia, Mr. Davidson graduated from the University of British Columbia with a Bachelor of Arts degree and was a City Planning Board Member for the City of Vancouver and director of the Vancouver Public Library. After leaving government, Mr. Davidson was, from 1995 to 1996, elected Chairman of Pine Valley Mining Corporation (formally Globaltex Industries Inc.), a publicly trading energy company at the time listed on the Vancouver Stock Exchange (as it then was). Mr. Davidson also served as a consultant to Accelerate Power Systems Inc., a public technology company (from 2001 to 2003) and as an advisor to Noble Metal Group Inc., a public mining exploration company (from 2003 to 2004), which were both listed on the TSX Venture Exchange (the "TSXV"). Mr. Davidson is currently semi-retired but provides business and corporate governance consulting services for mineral exploration and development companies and other business ventures. In 2002, Mr. Davidson was awarded the Queens Jubilee Medal for outstanding service to Canada.

Bruce Durham – Director, Executive Chair

Mr. Durham has more than 40 years of work in the junior resource industry including mandates in corporate management, project development and exploration project management. Bruce is a Professional Geologist (P.Geo.) who holds a BSc. Geology from University of Western Ontario. The discoveries Mr. Durham was intimately involved in includes his co-discovery of the Bell Creek mine in Timmins, and he then went to Hemlo where he participated in the exploration and development of two of the three gold discoveries that became significant gold producers. He was involved in early exploration drilling at the Corona Project and was also the geologist on the discovery holes at the Golden Giant Project that became Hemlo Gold Mines' flagship project. Between 1998 and 2007, he held various management positions with Canadian Royalties Inc., including President and Vice President Exploration. More recently he served as President and CEO of Nevada Zinc Corporation, Executive Chairman Rockcliff Metals

Corporation and COO of Norvista Capital Corporation. Mr. Durham is a director of Minera Alamos Inc. and is VP Exploration for BTU Metals Corp.

J. Douglas Blanchflower - Nominee

Mr. Blanchflower brings over 50 years of mineral exploration experience to Phoenix Gold Resources Corp. He is a Professional Geologist registered with the Engineers and Geoscientists of British Columbia and the Professional Engineers and Geoscientists of Newfoundland and Labrador. Prior to founding Minorex Consulting Ltd. in 1982 he worked for several major mineral exploration companies. Since then he has implemented, supervised and managed precious and base metal exploration programs throughout North and South America and Asia. During his career, Mr. Blanchflower has served as a director and senior management with several mining companies including: Rea Gold Corporation during the discovery of the Rea VMS and Samatosum copper-silver deposits near Adams Lake, B.C., and Noront Resources Ltd. during the discovery and exploration of the McFaulds Lake Cu-Ni-PGM-Cr deposit in northern Ontario.

Cease Trade Orders and Bankruptcy

Other than as disclosed below*, to the knowledge of the Company's management, no proposed director of the Company:

- (a) is, as at the date of this Circular, or has been within 10 years before the date of the Circular, a director, CEO or CFO of any Company (including the Company) that:
 - (i) was subject to a cease trade or similar order or an order that denied such other issuer access to any exemption under securities legislation for more than thirty consecutive days, that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or
 - (ii) was subject to a cease trade or similar order or an order that denied such other issuer access to any exemption under securities legislation for more than thirty consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO; 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 the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this 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 other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

*Mr. Andrew Lee was serving as a director of G2 Technologies Corp. (formerly Green 2 Blue Energy) from March 23, 2018 to October 29, 2020. On January 29, 2020, Green 2 Blue Energy was subject to a failure-to-file cease trade order by the British Columbia Securities Commission and the Ontario Securities Commission which was revoked on September 25, 2020.

Management recommends the election of each nominee as a director of the Company to hold office until the Company's next annual general meeting. It is the intention of the persons named in the accompanying Proxy, if not expressly directed to the contrary in such Proxy, to vote such Proxies FOR the election of each nominee as a director of the Company.

EXECUTIVE COMPENSATION

Securities laws require that a "Statement of Executive Compensation" in accordance with Form 51-102F6V be included in this Information Circular. Form 51-102F6V prescribes the disclosure requirements in respect of the compensation of executive officers and directors of reporting issuers. Form 51-102F6V provides that compensation disclosure must be provided for the Chief Executive Officer and the Chief Financial Officer of an issuer and the most highly compensated executive officers whose total compensation exceeds \$150,000 for the two most recently completed financial years. Based on those requirements, the executive officers of the Company for whom disclosure is required under Form 51-102F6V are Andrew Lee, President and CEO, and Sean Choi, CFO.

For the purpose of this Statement of Executive Compensation:

"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 (if any) for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries (if any);

"NEO" or "named executive officer" means:

- (a) each individual who served as chief executive officer ("**CEO**") of the Company, or who performed functions similar to a CEO, during any part of the most recently completed financial year,
- (b) each individual who served as chief financial officer ("**CFO**") of the Company, or who performed functions similar to a CFO, during any part of the most recently completed financial year,
- (c) the most highly compensated executive officer of the Company or any of its subsidiaries (if any) other than 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 an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year;

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

"underlying securities" means any securities issuable on conversion, exchange or exercise of compensation securities.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company or any subsidiary thereof to each NEO and each 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 director for services provided and for services to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Name and position	Year ⁽¹⁾	Salary, consulting fee, retainer or commission ⁽²⁾ (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites ⁽³⁾ (\$)	Value of all other compensation (\$)	Total compensation (\$)
Paul Jones ⁽⁴⁾ Former Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Roger Baer ⁽⁵⁾ Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Sean Choi CFO	2021	40,000	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Andrew Lee ⁽⁶⁾ CEO, President and Director	2021	22,500	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Glenn Laing ⁽⁴⁾ Former Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil

(1) For the financial years ended January 31, 2021 and January 31, 2020.

(2) This figure includes the dollar value of cash and non-cash base salary each Named Executive Officer earned during the year ended January 31, 2021.

(3) Perquisites and other personal benefits have not been included as they do not reach the prescribed threshold of the lesser of \$50,000 or 10% of the total annual salary.

(4) Mr. Laing resigned as a director and officer of the Company on March 22, 2019, and Mr. Jones was appointed as President and CEO on March 22, 2019 and resigned on September 18, 2020.

(5) Roger Baer was appointed a director of the Company as of September 18, 2020.

(6) Andrew Lee became a director on April 23, 2014 and was appointed as President and CEO on August 6, 2020.

No director of the Company who is not an NEO has received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors; or
- (c) any arrangement for the compensation of directors for services as consultants or expert.

Stock Options and Other Compensation Securities

The following table sets out the compensation securities granted or issued to directors and NEOs by the Company or any subsidiary thereof in the year ended January 31, 2021 for services provided, or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Paul Jones⁽¹⁾ Former Director	none	none	n/a	n/a	n/a	n/a	n/a
Roger Baer Director	none	none	n/a	n/a	n/a	n/a	n/a
Sean Choi⁽²⁾ CFO	none	none	none	n/a	n/a	n/a	n/a
Andrew Lee⁽³⁾ Director	none	none	none	n/a	n/a	n/a	n/a
Glenn Laing⁽¹⁾ Former Director	none	none	n/a	n/a	n/a	n/a	n/a

- (1) Mr. Laing resigned as a director and officer of the Company on March 22, 2019, and Mr. Jones was appointed as President and CEO on March 22, 2019 and resigned as of August 5, 2020
- (2) On August 18, 2020, the Company entered into a debt settlement agreement with 2238012 Ontario Inc. which Mr. Choi is the principal. The Company issued 3,750,000 common shares representing 7.3% of total outstanding number of common shares as of January 19, 2022.
- (3) On August 18, 2020, the Company entered into a debt settlement agreement with Mr. Lee. The Company issued 14,596,780 common shares representing 28.5% of total outstanding number of common shares as of January 19, 2022.

Exercise of Compensation Securities by Directors and NEOs

The following table sets out all stock options exercised by directors or NEOs during the year ended January 31, 2021:

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price of security or underlying security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Paul Jones ⁽¹⁾ Former Director	none	none	n/a	n/a	n/a	n/a	n/a
Roger Baer ⁽²⁾ Director	none	none	n/a	n/a	n/a	n/a	n/a
Sean Choi CFO	none	none	n/a	n/a	n/a	n/a	n/a
Andrew Lee ⁽¹⁾ CEO, President and Director	none	none	n/a	n/a	n/a	n/a	n/a
Glenn Laing ⁽¹⁾ Former Director	none	none	n/a	n/a	n/a	n/a	n/a

(1) Mr. Laing resigned as a director of the Company on March 22, 2019, and Mr. Jones was appointed as President and CEO on March 22, 2019 and resigned as of September 18, 2020. Andrew Lee became a director on April 23, 2014 and was appointed as President and CEO on August 6, 2020.

(2) Roger Baer was appointed a director of the Company as of September 18, 2020.

Stock Option Plans and Other Incentive Plans

We have two equity compensation plans; one being our stock option plan, which was most recently approved by the Company's Shareholders at the Company last shareholders meeting on November 18, 2020 and recently amended by the Company's Board on January 19, 2022 to meet the requirements of the TSX Venture Exchange's newly revised Policy 4.4 (the "**Option Plan**"); and the second being the Company's restricted share unit plan (the "**RSU Plan**") as described further below. We established the Option Plan to assist us in attracting, retaining and motivating directors, executive officers, employees, consultants and management company employees, and to closely align the personal interests of those people with those of the Shareholders. The Board of Directors administers the Option Plan. The Option Plan provides that we may grant options, under option agreements and in accordance with the policies of the TSXV, to the following persons in consideration of their services to the Company:

- (a) directors, executive officers, and employees of the Company or a subsidiary;
- (b) employees of a company providing management services to the Company; or
- (c) consultants providing consulting services to the Company or a subsidiary.

The Board of Directors determine the number of Shares subject to each option within the guidelines established by the TSXV. The options enable the holders to purchase our Shares at a price fixed in accordance with the rules of the TSXV.

The Option Plan provides that the total number of Shares reserved for issuance under the Option Plan will not exceed 10% of our issued Shares on the date the Board of Directors grants an option under the Option Plan.

The Board of Directors may grant options to purchase not more than a total 5% of the issued Shares less the number of Shares issuable pursuant to any other Securities Based Compensation Plan (as defined under the policies of the TSX Venture Exchange) to any one participant in any 12 month period, unless we become a Tier 1 Issuer within the meaning of the policies of the TSXV and we have obtained the approval of disinterested Shareholders.

The total number of options granted to either:

- (a) any one consultant; or
 - (b) all employees and consultants conducting investor relations activities (within the meaning of the TSXV's policies),
- cannot exceed 2% of our issued Shares less the number of Shares issuable pursuant to any other Securities Based Compensation Plan (as defined under the policies of the TSX Venture Exchange) within any 12 month period.

The total number of Shares reserved for issuance to insiders under options granted under the Option Plan must not exceed 10% of our issued Shares. We are prohibited under the Option Plan from granting to insiders, at any time and within any 12 month period, a number of options that exceeds 10% of our issued Shares less the number of Shares issuable pursuant to any other Securities Based Compensation Plan (as defined under the policies of the TSX Venture Exchange).

Under the Option Plan, the Board of Directors must set the option price at not less than the last closing price of our Shares on the TSXV on the trading day immediately before the date of grant, less the discount permitted under the TSXV's policies. The maximum term of any option is ten years from the date of grant. We do not intend to provide financial assistance to holders of stock options to help them purchase our Shares under the Option Plan. Any amendment to the Plan is subject to the approval of the TSXV and may also require Shareholder approval.

The following table sets out equity compensation plan information as at the end of the financial year ended January 31, 2021:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	Nil	n.a.	4,884,031 ⁽¹⁾

Equity compensation plans not approved by securityholders	Nil	n.a.	Nil
Total	Nil	n.a.	4,884,031⁽¹⁾

⁽¹⁾ Based on 48,840,317 Shares of the Company issued and outstanding as of January 19, 2022.

A copy of the Option Plan is available for review on the Company's profile at www.sedar.com and at the registered offices of the Company, at 700 – 595 Burrard Street, Vancouver, BC, V7X 1S8 during normal business hours up to and including the date of the Meeting.

Restricted Share Unit Plan

The Board of Directors adopted a restricted share unit plan (the "**RSU Plan**") dated for reference January 19, 2022 providing for the issuance of restricted share units ("**RSUs**") to directors, officers, employees and consultants ("**Eligible Persons**"). In accordance with the policies of the TSXV the RSU Plan must receive disinterested shareholder approval being approved by a majority of the votes cast by shareholders present or represented by proxy at the Meeting other than those owned by insiders who are Eligible Persons under the RSU Plan. A Copy of the RSU Plan is attached hereto as Schedule "C".

Material Terms of the RSU Plan

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

- (a) Persons who are Eligible Persons other than persons providing Investor Relations Activities are eligible to receive RSUs;
- (b) The RSU Plan is effective January 19, 2022, subject to ratification by the shareholders of the Company;
- (c) **4,884,031** Common Shares are available for issuance under the RSU Plan, being 10% of the issued and outstanding number of Common Shares of the Company as at January 19, 2022;
- (d) The total aggregate maximum number of Common Shares issuable under RSUs that may be the subject of a grant to Eligible Person who are insiders of the Company at any point in time or within a 12 month period shall not exceed **4,884,031** (being 10% of the issued and outstanding number of Common Shares of the Company as at January 19, 2022) less the number of Common Shares issuable pursuant to all other Security Based Compensation (as defined under the policies of the TSX Venture Exchange) to such Eligible Persons at any such or 12 month period;
- (e) The maximum number of Common Shares issuable under RSUs that may be the subject of a grant to any one Eligible Person within a 12 month period shall not exceed **2,442,015** (being 5% of the issued and outstanding number of Common Shares of the Company as at January 19, 2022) less the number of Common Shares issuable pursuant to all other Security Based Compensation (as defined under the policies of the TSX Venture Exchange) to such Eligible Persons at any such or 12 month period;

- (f) The maximum number of Common Shares issuable under RSUs that may be the subject of a grant to any one consultant within a 12 month period shall not exceed **976,806** (being 2% of the issued and outstanding number of Common Shares of the Company as at January 19, 2022) less the number of Common Shares issuable pursuant to all other Security Based Compensation (as defined under the policies of the TSX Venture Exchange) to such Eligible Persons at any such or 12 month period;
- (g) The Board may at the time of grant of an RSU provide for performance conditions to be met prior to vesting, provided that no RSU must vest within one year of the date of grant other than accelerated vesting in the event of death or ceasing to be an Eligible Person as a consequence of a change of control, take-over bid, reverse takeover, or similar transaction;
- (h) Vested RSUs entitle the holder to receive 1 share for every RSU held or the cash equivalent thereof based on the fair market value of the shares of the Company calculated in accordance with the terms of the RSU Plan;
- (i) The board of directors may amend the RSU Plan to comply with the policies of the TSXV, subject to the acceptance of the TSXV; Except as provided in the RSU Plan, RSUs shall vest on the later of the Trigger Date and the date all performance or vesting provisions have been satisfied;
- (j) The Trigger Date is the date set by the Board at the time of grant and, if not set, is December 31 of the third year following the date of grant, subject to acceleration by the Board;
- (k) Unvested RSUs terminate upon the holder being terminated for cause or voluntarily resigning unless the Board otherwise determines;
- (l) Unvested RSUs vest automatically upon death, total disability or eligible retirement of the holder, or termination of the holder without cause;
- (m) Unvested RSUs shall vest on a Change of Control and the holder shall receive a cash payment within 30 days of the Change of Control equal to the number of RSUs multiplied by the fair market value of the Company's shares as at the date of the Change of Control;
- (n) RSUs do not give the holder any of the rights of a shareholder of the Company and are non-assignable and non-transferable.

Capitalized terms used in this section which are not otherwise defined shall have the meaning given to them in the RSU Plan.

Employment, Consulting and Management Agreements

For the year ended January 31, 2021, other than described above, the Company does not have any employment, consulting or management agreements or arrangements with any of the current NEOs or directors.

Oversight and Description of Director and NEO Compensation

Philosophy and Objectives

The compensation program for the senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including:

- to align executive compensation with Shareholders' interests;
- to attract and retain highly qualified management;
- to focus performance by linking incentive compensation to the achievement of business objectives and financial results; and
- to encourage retention of key executives for leadership succession.

Phoenix Gold's executive compensation program comprises three elements: base salary, bonus incentives and equity participation. The compensation program is designed to pay for performance. Employees, including senior executives, are rewarded for the achievement of annual operating and financial goals, progress in executing Phoenix Gold's long-term growth strategy and delivering strong total Shareholder return performance.

Phoenix Gold reviews industry compensation information and compares its level of overall compensation with those of comparable sized mineral exploration companies. Generally, Phoenix Gold targets base management fees at levels approximating those holding similar positions in comparably sized companies in the industry and hopes to achieve competitive compensation levels through the fixed and variable components.

Phoenix Gold's total compensation mix places a significant portion of the executive's compensation at risk and relies heavily on the award of stock options. The design takes into account individual and corporate performance. Compensation practices, including the mix of base management fees, short-term incentives and long-term incentives, are regularly assessed to ensure they are competitive, take account of the external market trends and support Phoenix Gold's long-term growth strategies. Due to the early stage of Phoenix Gold's development programs, the flexibility to quickly increase or decrease appropriate human resources is critical. Accordingly, Phoenix Gold does not enter into long-term commitments with its officers.

Base Compensation

In the Board's view, paying base salaries or management fees which are competitive in the markets in which Phoenix Gold operates is a first step to attracting and retaining talented, qualified and effective executives. Base compensation is compensation for discharging job responsibilities and reflects the level of skills and capabilities demonstrated by the executive. Annual adjustments take into account the market value of the role and the executive's demonstration of capability during the year.

Bonus Incentive Compensation

Phoenix Gold's objective is to achieve certain strategic objectives and milestones. The Board will consider executive bonus compensation dependent upon the executive meeting those strategic objectives and milestones, the executive's individual performance and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation dependent upon comparable

compensation levels based on recommendations of the Board as a whole, and such recommendations are generally based on survey data provided by independent consultants.

Equity Participation

Phoenix Gold believes that encouraging its executives and employees to become Shareholders is the best way of aligning their interests with those of its Shareholders. Equity participation is accomplished through the Stock Option Plan. Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The amounts and terms of options granted are determined by the Board.

Option-Based Awards

Stock options are granted to provide an incentive to the directors, officers, employees and consultants of Phoenix Gold to achieve the long-term objectives of Phoenix Gold; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of Phoenix Gold; and to attract and retain persons of experience and ability, by providing them with the opportunity to acquire and increase proprietary interest in Phoenix Gold. Phoenix Gold awards stock options to its executive officers based upon the recommendation of the Board, which recommendation is based upon the Board's review of a proposal from the CEO. Previous grants of incentive stock options are taken into account when considering new grants.

Implementation and amendments to the existing stock option plan are the responsibility of the Board, subject to compliance with applicable TSXV and regulatory requirements.

As part of this review, the Board noted the following factors which discourage the Company's executive officers from taking unnecessary or excessive risks:

- there is limited opportunity for the small management team to undertake unnecessary or excessive risk to maximize compensation at the expense of the Company;
- there are limited opportunities for executive officers to artificially inflate financial and operating performance of the Company to increase the value of equity awards to such persons;
- all of the directors are regularly apprised of the Company's financial position throughout the year;
- with respect to Andrew Lee (President and CEO) and Sean Choi (CFO), there is an effective balance between cash and equity, near-term and long-term focus, corporate and individual performance, and financial and non-financial performance;
- with respect to Andrew Lee (President and CEO) and Sean Choi (CFO), the Company's approach to performance evaluation and compensation provides greater rewards to Andrew Lee and Sean Choi achieving both short-term and long-term objectives; and
- incentive plan awards granted are not awarded upon the accomplishment of a task.

Based on this review, the Board believes that the compensation policies and practices do not encourage executive officers to take unnecessary or excessive risk.

Under the Company's compensation policies and practices, NEOs and directors are not prevented from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Pension Benefits

The Company does not have a pension benefit arrangement under which the Company have made payments to the directors and or Named Executive Officers of the Company during its fiscal year ended January 31, 2021 or intends to make payments to the Company's directors or Named Executive Officers upon their retirement (other than the payments set out above and those made, if any, pursuant to the Canada Pension Plan or any government plan similar to it).

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Phoenix Gold's only equity compensation plan is its Option Plan, which was approved by Shareholders at the last annual general meeting of shareholders of the Company. See "*Stock Option Plans and Other Incentive Plans*" above.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors or executive officers, proposed nominees for election as directors, or associates of any of them, is or has been indebted to the Company or any of its subsidiaries at any time since the beginning of the most recently completed financial year and no other indebtedness remains outstanding as at the date of this Circular.

AUDIT COMMITTEE REQUIREMENTS

Phoenix Gold is including the disclosure required by Form 52-110F2 of National Instrument 52-110 *Audit Committees* under this heading. As at its most recently completed financial year end of January 31, 2021, Phoenix Gold was a "venture issuer" under NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110.

Audit Committee Charter

The Audit Committee Charter, the text of which is attached as Schedule "A" to this Circular, was adopted by our Audit Committee and the Board of Directors.

Composition of the Audit Committee

Name of Member	Independent under NI 52-110	Financially Literate under NI 52-110
Walter Davidson (Chair)	Yes	Yes – Director of various publicly listed companies since before 2012.
Roger Baer	Yes	Yes – Director of various publicly listed companies since 2005.
Andrew Lee	No – President and CEO of Phoenix Gold.	Yes – Mr. Lee has prior business knowledge gained during the course of his employment at the management and executive levels.

Relevant Education and Experience

Walter Davidson, Director

Mr. Davidson was a director of GB Minerals Ltd. (TSXV: GBL), a Canadian mining exploration and development company focusing on development of its phosphate mineral project in Guinea-Bissau, West Africa From May 2012 to February 2018.

Roger Baer, Director

Mr. Baer is a CPA and has over 30 years of accounting and financial management experience within the mining industry, having held financial management roles with Alacer Gold, Thompson Creek Metals, Newmont Mining Corporation, Kennecott (Rio Tinto) and Cyprus Amax. Most recently, Mr. Baer was the Chief Financial Officer of Excelsior Mining Corp. and is currently Corporate Controller of i-80 Gold Corp.

Andrew Lee – CEO, President and Director

Mr. Lee is the CEO and a director of Blue Creek Forest Products since 2015 and Four Rivers Resources Inc. since 2011, both private British Columbia forest products companies. He was formerly the Vice-President, Corporate Development of Megastar Development Corp. (TSXV: MDV) from June to November 2010 and Vice President from September 2011 to November 2012. Mr. Lee was as a director of Ecuador Gold and Capital Copper Corp. (TSXV: EGX) since August 2014 until June 2015, and has previously served as a director for a number of public companies, including Changyu Medtech Ltd., a Company formerly listed on the TSXV, from February 2012 to April 2012, Megastar Development Corp. from March 2011 to November 2012, and Eoro Resources Ltd. (TSXV: ELO) from July 2011 to October 2012. Previously, Mr. Lee served as a director of Plains Creeks Mining Ltd., a private Company that went public through a reverse takeover of Resource Hunter Capital Corp. (now named GB Minerals Ltd.) in February 2011. Mr. Lee holds a Bachelor of Science degree from the University of British Columbia and has been working as a self-employed consultant to mineral exploration companies since 1998, assisting with financings and corporate development.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of Phoenix Gold's most recently completed financial year has Phoenix Gold relied on the exemption in section 2.4 of NI 52-110 (De Minimis Non-Audit Services) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for engaging of non-audit services as described in the Audit Committee Charter set out in Schedule "A" to this Circular.

External Auditor Service Fees (By Category)

The Audit Committee has reviewed the nature and amount of the non-audited services provided to us by MS Partners LLP Licensed Public Accountants ("**MSP**"), as of January 31, 2021. The aggregate fees incurred

by Company for audit and non-audit services in the last two financial years are set out in the following table:

Nature of Services	Fees Paid or Accrued to MSP in Year Ended January 31, 2021 (\$)	Fees Paid or Accrued to MSP in Year Ended January 31, 2020 (\$)
Audit Fees ⁽¹⁾	\$12,000	\$13,560
Audit-Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	Nil	Nil
All Other Fees ⁽⁴⁾	Nil	Nil
Total	\$12,000	\$13,560

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services

CORPORATE GOVERNANCE

National Policy 58-201 *Corporate Governance Guidelines* provides non-prescriptive guidelines on corporate governance practices for reporting issuers. National Instrument 58-101 Disclosure of Corporate Governance Practices prescribes certain disclosure by a reporting issuer of its corporate governance practices. The following sets out Phoenix Gold's approach to corporate governance and includes the disclosure required Form 58-101F2 of NI 58-101.

Board of Directors

The Board of Directors facilitates its exercise of independent supervision over management through frequent communication with the Board.

As of the date of this Circular, the following persons are directors of Phoenix Gold:

Roger Baer	Independent
Andrew Lee	Not Independent
Walter Davidson	Independent

(1) Phoenix Gold considers a member of the Board as "Not Independent" if he has a direct or indirect "material relationship" with the issuer as set out in NI 52-110.

Directorships

The current directors of the Company, who are also nominees to become directors of the Company for the ensuing year, are also directors of other reporting issuers (or equivalent in a foreign jurisdiction) as follows:

Directors	Other Reporting Issuers of which they are also currently a director	Name of Exchange or Market (if applicable)
Bruce Durham	None	N/A
Andrew Lee	Mr. Lee is also the CEO and director of DeepRock Minerals Inc.	Canadian Securities Exchange
Walter Davidson	None	N/A

Orientation and Continuous Education

The Board of Directors is responsible for providing orientation for all new recruits to the Board. Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of our business will be necessary and relevant to each new director. We provide continuing education for our directors as the need arises and encourage open discussion at all meetings, which format encourages learning by our directors.

Ethical Business Conduct

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

Nomination of Directors

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

The Board of Directors does not have a nominating committee. The Board of Directors is responsible for recruiting new members to the Board and planning for the succession of Board members.

Compensation

Members of the Board are not compensated for acting as directors, save for being granted incentive stock options pursuant to the policies of TSXV and the Company's stock option plan. The Compensation and Corporate Governance Committee advises the Board, and the Board as a whole determines the stock option grants for each director. The Compensation and Corporate Governance Committee reviews on an ongoing basis the compensation of the senior officers to ensure that it is competitive.

The Company's Compensation and Corporate Governance Committee Charter and Corporate Governance Policy are attached as Schedule "A" hereto.

Other Board Committees

The Board has appointed an Audit Committee, the members of which are Walter Davidson, Roger Baer and Andrew Lee with Mr. Davidson being the Chair. A description of the function of the Audit Committee can be found in this Circular under "Audit Committee". The Board has also appointed a Compensation and Corporate Governance Committee, the members of which are Walter Davidson, Roger Baer, and Andrew Lee with Mr. Davidson being the Chair.

Assessments

The Board collectively conducts informal annual assessments of the Board's effectiveness, its individual directors and its Audit Committee.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

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

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Company, proposed nominee for election as a director of the Company, or associate or affiliate of any of these persons, has any material interest, direct or indirect, in any transaction since the beginning of our last financial year or in any proposed transaction, which has materially affected or will materially affect the Company, other than as disclosed under the heading "Particulars of Matters to be Acted On".

An "informed person" means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a Person or company that is itself an informed person or subsidiary of the Company;
- (c) any Person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the Person or company as underwriter in the course of a distribution; and
- (d) the Company if it has purchased, redeemed or otherwise acquired any of its securities, so long as it holds any of its securities.

MANAGEMENT CONTRACTS

Management functions of the Company are generally performed by directors and senior officers of the Company and not, to any substantial degree, by any other person.

PARTICULARS OF MATTERS TO BE ACTED ON

APPOINTMENT OF AUDITOR

At the Meeting, Shareholders will be asked to pass the Auditor's Resolution appointing MS Partners LLP, as Phoenix Gold's auditor for the next ensuing year, to hold office until the close of the next annual general meeting of Shareholders or until the firm of MS Partners LLP is removed from office or resigns as provided by Phoenix Gold's constating documents, and authorizing Phoenix Gold's Board of Directors to fix the compensation of the auditor.

The complete text of the Auditor's Resolution which Phoenix Gold intends to place before the Meeting for approval, with or without modification, is as follows:

"BE IT RESOLVED, AS AN ORDINARY RESOLUTION THAT:

1. MS Partners LLP, be appointed as Phoenix Gold Resources Corp.'s ("**Phoenix Gold**") auditor for the ensuing year, to hold office until the close of the next annual general meeting of shareholders or until the firm of MS Partners LLP is removed from office or resigns as provided by Phoenix Gold's constating documents, and authorizing Phoenix Gold's board of directors to fix the compensation of the auditor; and
2. Any one or more directors and officers of Phoenix Gold be authorized to perform all such acts, deeds and things and execute, under seal of Phoenix Gold or otherwise, all such documents and other writings, as may be required to give effect to the true intent of these resolutions."

Recommendation of Directors

The Company's Board of Directors unanimously recommends that Shareholders vote IN FAVOUR of the Auditor's Resolution.

In order to pass the Auditor's Resolution, a simple majority of the votes cast by Shareholders, present in person or by proxy at the Meeting, is required.

Unless the Shareholder has specified in the enclosed form of proxy that the Phoenix Gold Shares represented by such proxy are to be withheld from voting on the Auditor's Resolution, the persons named in the enclosed form of proxy will vote FOR the Auditor's Resolution.

APPOINTMENT OF DIRECTORS

The complete text of the Directors Resolution which Phoenix Gold intends to place before the Meeting for approval, with or without modification, is as follows:

“BE IT RESOLVED, AS AN ORDINARY RESOLUTION THAT:

1. The number of directors of the Phoenix Gold Resources Corp. (the “**Company**”) be fixed at five (5); and
2. The five (5) management nominees for directors, being Bruce Durham, Roger Baer, Andrew Lee, Walter Davidson and J. Doug Blanchflower be elected as directors of the Company to hold office until the earlier of the election of directors at the next annual general meeting or until their successors are elected or appointed.

Recommendation of Directors

The Company's Board of Directors unanimously recommends that Shareholders vote IN FAVOUR of the Directors Resolution.

In order to pass the Directors Resolution, a simple majority of the votes cast by Shareholders, present in person or by proxy at the Meeting, is required.

Unless the Shareholder has specified in the enclosed form of proxy that the Phoenix Gold Shares represented by such proxy are to be withheld from voting on the Directors Resolution, the persons named in the enclosed form of proxy will vote FOR the Directors Resolution.

ANNUAL APPROVAL OF OPTION PLAN

The Option Plan is a rolling maximum stock option plan providing for the number of Shares of the Company reserved for issuance under such plan to be equal to 10% of the Company's issued and outstanding Shares at the time of any option grant. In accordance with the policies of the TSXV, rolling stock option plans must receive disinterested Shareholder approval annually. Accordingly, at the Meeting, disinterested Shareholders will be asked to approve the Option Plan.

The Option Plan is intended to provide the Board with the ability to issue options to provide the employees, consultants, officers and directors of the Company with long-term equity-based performance incentives which are a key component of the Company's executive compensation strategy. The Company believes it is important to align the interests of management and employees with Shareholder interests and to link performance compensation to enhancement of Shareholder value. This is accomplished through the use of options whose value over time is dependent on market value.

The Option Plan incorporates the following terms and conditions:

1. The aggregate number of Shares which may be issued pursuant to options granted under the Plan, unless otherwise approved by Shareholders, may not exceed that number which is equal to 10% of the Shares of the Company issued and outstanding at the time of the grant.
2. The number of Shares subject to each option will be determined by the Board, provided that the aggregate number of Shares reserved for issuance pursuant to options granted to:

- (a) insiders during any 12-month period or at any point may not exceed 10% of the issued Shares less the number of Shares issuable pursuant to any other Securities Based Compensation Plan (as defined under the policies of the TSX Venture Exchange) of the Company, unless the grant is approved by a majority of the votes cast by disinterested Shareholders;
- (b) any one individual during any 12-month period may not exceed 5% of the issued Shares of the Company less the number of Shares issuable pursuant to any other Securities Based Compensation Plan (as defined under the policies of the TSX Venture Exchange), unless the Company has obtained the approval of the disinterested Shareholders;
- (c) any one consultant during any 12-month period may not exceed 2% of the issued Shares of the Company less the number of Shares issuable pursuant to any other Securities Based Compensation Plan (as defined under the policies of the TSX Venture Exchange), unless the Company has obtained the approval of the disinterested Shareholders;
- (d) all persons employed to provide investor relations activities (as a group) may not exceed 2% of the issued Shares less the number of Shares issuable pursuant to any other Securities Based Compensation Plan (as defined under the policies of the TSX Venture Exchange) of the Company during any 12-month period;

in each case calculated as at the date of grant of the option, including all other Shares under option to such person at that time and any other Securities Based Compensation Plan (as defined under the policies of the TSX Venture Exchange).

3. Options may be exercisable for a period of ten years from the date of grant. The options are non-assignable and non-transferable. The options can only be exercised by the optionee as long as the optionee remains an eligible optionee pursuant to the Option Plan or within 90 days after ceasing to be an eligible optionee, (30 days in the case of a person engaged in investor relations activities), immediately in the case for dismissal from employment or service for cause, or, if the optionee dies, the earlier of the expiry date and the date which is six months after the date of death, provided that the Board, in its discretion may extend the date of exercise to the earlier of the expiry date and one year from the date of the optionee's death.
4. If the normal expiry date of any option falls within any blackout period or within 10 business days following the end of any blackout period, then the expiry date of such options shall, without any further action, be extended to the date that is 10 business days following the end of such blackout period.
5. The Company can demand the payment of cash (or sell Shares issued upon exercise of an option), as may be necessary to satisfy the Company's tax withholding obligations on behalf of any person exercising options.
6. The board of directors may make such amendments as may be necessary to comply with the policies of the TSX Venture Exchange.

The foregoing is only a summary of the salient features of the Option Plan. A copy of the Option Plan may be inspected at the Company's registered office at 700 – 595 Burrard Street, Vancouver, BC, V7X 1S8 during normal business hours and at the Meeting. In addition, a copy of the Option Plan will be mailed, free of charge, to any holder of Shares who requests a copy, in writing, from the Corporate Secretary of

the Company. Any such requests should be mailed to the Company, at its registered office, to the attention of the Corporate Secretary.

Accordingly, disinterested Shareholders will be asked to pass an ordinary resolution, in substantially the following form, to ratify and approve the Option Plan:

“BE IT RESOLVED, as an ordinary resolution, that:

1. the stock option plan (the **“Option Plan”**) as described in the Information Circular dated January 19, 2022 be and is hereby approved, subject to the acceptance for filing thereof by the TSX Venture Exchange and the grant of options thereunder in accordance therewith, be approved;
2. the number of Common Shares reserved for issuance under the Option Plan shall be no more than 10% of the Company’s issued and outstanding share capital at the time of any stock option grant;
3. the Board of the Company be authorized to make any changes to the Option Plan as may be required or permitted by the TSX Venture Exchange;
4. any director or officer of the Company is hereby authorized and directed for and in the name of and on behalf of the Company to execute or cause to be executed, whether under corporate seal of the Company or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in connection with the foregoing; and
5. notwithstanding that this resolution has been duly passed by the shareholders of the Company, the Option Plan is conditional upon receipt of final approval from the TSX Venture Exchange and the directors of the Company are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Company, at any time if such revocation is considered necessary or desirable by the directors.”

Recommendation of Directors

The Company's Board of Directors unanimously recommends that disinterested Shareholders vote IN FAVOUR of the Option Plan Resolution.

In order to pass the Option Plan Resolution, a simple majority of the votes cast by disinterested Shareholders, present in person or by proxy at the Meeting, is required.

Unless the Shareholder has specified in the enclosed form of proxy that the Shares represented by such proxy are to be voted against the Option Plan Resolution, the persons named in the enclosed form of proxy will vote FOR the Option Plan Resolution.

Approval of Restricted Share Unit Plan

The Board of Directors adopted a restricted share unit plan (the **“RSU Plan”**) dated for reference January 19, 2022 providing for the issuance of RSUs to directors, officers, employees and consultants (**“Eligible Persons”**). The RSU Plan is described above under the heading **“Executive Compensation – RSU Plan”** in this Information Circular.

In accordance with the policies of the TSXV, the RSU Plan must receive disinterested Shareholder approval being approved by ordinary resolution of the votes cast by Shareholders present or represented by proxy

at the Meeting other than those owned by insiders who are Eligible Persons under the RSU Plan. A copy of the RSU Plan is attached hereto as Schedule "C" and will be available at the Meeting or on Request from the Company.

At the Meeting, the disinterested Shareholders will be asked to consider and, if deemed advisable, approve the following ordinary resolution approving the RSU Plan and all unallocated RSUs under the RSU Plan:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. all unallocated restricted share units (including common shares to be reserved for issuance pursuant to grants of such restricted share units) under the Company's Restricted Share Unit Plan are hereby approved;
2. the Company shall have the ability to continue granting restricted share units under the Company's Restricted Share Unit Plan until all issuances under the Restricted Share Plan have been reduced to nil;
3. the Company's Restricted Share Unit Plan, as attached as Schedule "C" to the Information Circular of the Company dated January 19, 2022, is hereby approved;
4. any one director or officer of the Company be and is hereby authorized and directed to do all such further acts and things and to execute such further agreements and other documents for and on behalf of the Company as such director or officer may consider necessary, desirable, or useful having regard to this resolution;
5. the form of the Restricted Share Unit Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities, or at the discretion of the Board acting in the best interests of the Company without requiring further approval of the shareholders of the Company; and
6. notwithstanding that this resolution has been passed by the shareholders of the Company, the directors of the Company are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Company, at any time if such revocation is considered necessary or desirable by the directors."

In order for the foregoing resolution to be passed, it must be approved by ordinary resolution with a simple majority of the votes cast by disinterested Shareholders present in person or by proxy at the Meeting. **The Board recommends that you vote FOR the foregoing resolution. It is the intention of management proxyholders to vote proxies FOR approval of the above ordinary resolution unless otherwise directed.**

AUTHORIZATION FOR POTENTIAL NEW LISTING ON THE CANADIAN SECURITIES EXCHANGE

At the Meeting, Shareholders will be asked to pass an ordinary resolution of Shareholders approving the delisting from the TSX Venture Exchange (the "**TSXV**") and listing on the Canadian Securities Exchange (the "**CSE**"), as determined at the discretion of the board of directors of the Company (the "**New Listing Resolution**"). While the Company does not necessarily intend to go ahead immediately or at all with the delisting from the TSXV and listing on the CSE, the Company is seeking approval from the shareholders to provide the Company with greater flexibility if it determines doing so is in the best interests of the Company and its shareholders.

The complete text of the New Listing Resolution which Phoenix Gold intends to place before the Meeting for approval, with or without modification, is as follows:

"BE IT RESOLVED, AS AN ORDINARY RESOLUTION THAT:

1. Phoenix Gold Resources Corp. (the "**Company**") be and is hereby authorized to apply for and delist all of the Company's issued and outstanding shares (the "**Shares**") from the TSX Venture Exchange and to apply for and list the Shares on the Canadian Securities Exchange, as determined at the discretion of the board of directors of the Company; and
2. Any one or more directors and officers of the Company be authorized to perform all such acts, deeds and things and to negotiate, execute and deliver, under seal of the Company or otherwise, all such documents and other writings, as may be required to give effect to the true intent of these resolutions."

Recommendation of Directors

The Company's Board of Directors unanimously recommends that Shareholders vote IN FAVOUR of the New Listing Resolution.

In order to pass the New Listing Resolution, a simple majority of the votes cast by Shareholders, present in person or by proxy at the Meeting, is required.

Unless the Shareholder has specified in the enclosed form of proxy that the Phoenix Gold Shares represented by such proxy are to be withheld from voting on the New Listing Resolution, the persons named in the enclosed form of proxy will vote FOR the New Listing Resolution.

OTHER MATERIAL FACTS

Management of Phoenix Gold knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting for Phoenix Gold. Should any other matters properly come before the Meeting, the Shares represented by the Proxy solicited hereby will be voted on such matter in accordance with the best judgment of the persons voting by proxy. There are no material facts about Phoenix Gold which are not otherwise disclosed in this Circular.

BOARD APPROVAL

Phoenix Gold's Board of Directors has approved the delivery of this Circular to the Shareholders.

ADDITIONAL INFORMATION

Additional information about Phoenix Gold is located on SEDAR at www.sedar.com. Financial information is provided in Phoenix Gold's comparative financial statements and MD&A. Shareholders may contact Phoenix Gold to request copies of the applicable financial statements and MD&A at the following address:

PHOENIX GOLD RESOURCES CORP.
Suite 1518 – 800 West Pender Street
Vancouver, BC V6C 2V6

DATED at Vancouver, British Columbia, this 19th day of January, 2022.

BY ORDER OF THE BOARD OF DIRECTORS

"Andrew Lee" (signed)

**Andrew Lee,
President, CEO & Director**

SCHEDULE "A"

COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE CHARTER

I. PURPOSE

The Compensation and Corporate Governance Committee (the "Committee") of Phoenix Gold Resources Corp. (the "**Corporation**") is comprised of a majority of independent Directors and is responsible for the development and supervision of the Corporation's approach to compensation for directors, officers and senior management as well as bonuses and any increases in compensation to employees or staff that would have a material impact on the Corporation's expenses. In addition, the Committee is also responsible for the development and supervision of the Corporation's approach to corporate governance issues. This Charter should be read in conjunction with the Corporate Governance Policy of the Corporation, which is attached hereto as Appendix "A".

II. COMPOSITION AND TERMS OF COMMITTEE

- A. The Committee shall be appointed by the Board. It is comprised of not less than three (3) Directors, a majority of whom will be independent Directors.
- B. The Chair of the Committee shall be appointed by the Board.
- C. The CFO, or such other designate of the President and CEO, will act as the management liaison for the Committee.
- D. The Committee shall meet as required.
- E. Members of the Committee are appointed for a one year term at the first meeting of the Directors of the Corporation following the annual general meeting.
- F. The quorum for the Committee is a majority.

III. DUTIES AND RESPONSIBILITIES

The Committee shall:

A. Compensation Duties

(1) Review and make recommendations regarding compensation issues, in particular;

- (i) compensation philosophy and policies;
- (ii) competitive positioning;
- (iii) annually review the performance of the President and CEO and the CFO on behalf of the Board;
- (iv) make recommendations to the Board for payments and awards to Senior Officers under the Corporation's salary and incentive plans;

- (v) make recommendations to the Board for annual aggregate incentive compensation payouts to management, including security based compensation arrangements, and profit sharing to employees; and
- (vi) make recommendations to the Board regarding Director compensation.

(2) Review:

- (i) senior management succession planning;
- (vii) senior management development and training; and
- (viii) significant changes in organizational structure.

B. Corporate Governance Duties

Recommend to the Board on matters of corporate governance, including

- (i) composition of the Board and its Committees;
- (ii) orientation program for new Directors;
- (iii) education program for Directors;
- (iv) annually review the Corporate Governance Manual, including Administrative Guidelines for the Board and the Terms of Reference for Directors, the President and CEO, and the Committees and make recommendations to the Board for approval;
- (v) take reasonable steps to ensure that the Nominating Sub-Committee, comprised of the Chair of the Compensation and Corporate Governance Committee, the Chair of the Audit Committee and other available Board Committee chairs, makes nominations as to proposed Directors, members and chairs of Board Committees, and makes nominations, for Board approval, to fill vacancies throughout the year;
- (vi) review on an annual basis the appropriate skills and characteristics required of Directors in the context of the current Board and the objectives of the Corporation;
- (vii) review the need for formal evaluation processes for the individual director Board and Committees, and develop and implement same;
- (viii) report to the Board annually that Directors have executed the Code of Conduct Agreement;
- (ix) annually compare the Corporation's corporate governance practices against those recommended or required by any applicable regulatory body or securities exchange requirement. Take reasonable steps to ensure that the Corporation meets all requirements and, where the Corporation's practices differ from recommended practices, recommend to the Board whether this situation continues to be in the best interests of the Corporation; and
- (x) develop, for approval by the Board, an annual report of the Corporation's governance practices. This report shall include adequate detail to meet or exceed any regulatory or legal governance disclosure requirements in addition to any additional disclosure the

Board deems important. The Committee shall communicate with other Board committees as necessary regarding disclosure of items under their respective mandates.

C. Minutes.

Ensure for each meeting that minutes are recorded, drafted and circulated on a timely basis to committee members.

IV. LONG TERM INCENTIVE PLANS

- A. The Compensation and Corporate Governance Committee will, from time to time, establish parameters and guidelines for the Stock Option Plan Administrator pertaining to the magnitude (range) and frequency of security based compensation arrangements for eligible new hires and other employees including extending option periods or changing vesting provisions.
- B. The Compensation and Corporate Governance Committee will establish parameters and guidelines for any other form of long term incentive plan that may be used by the Corporation.

Appendix “A” to Schedule “A”

CORPORATE GOVERNANCE POLICY

OBJECTIVE AND SCOPE

The objective of this Corporate Governance Policy is to clearly articulate the Phoenix Gold Resources Corp.’s (the “Corporation” or “Phoenix Gold Resources Corp.” as the context requires) governance policy and its practice among the Corporation’s Board of Directors (“Board”) and senior management. Set forth below is a description of the Corporation’s approach to governance including the constitution and independence of the Board, the functions to be performed by the Board and its committees, and the effectiveness of the administration by Board members.

It is the duty of directors to act in good faith to reasonably ensure that adequate compliance procedures are in place to avoid and uncover violations that could lead to liability for the Corporation.

To be adequate, information and reporting systems must be capable of providing senior management and the Board with timely and accurate information.

MANDATE OF THE BOARD OF DIRECTORS

The Board has overall responsibility for the stewardship of the Corporation, as more particularly described in the Charter of the Board, a copy of which is available from the Corporation.

COMPOSITION AND SIZE OF THE BOARD OF DIRECTORS

The Board will:

- A. examine the size of the Board with a view to determining the impact of the number of directors upon the effectiveness of the Board; and
- B. determine the status of each director as a related or unrelated director¹, based on each director’s relationship with the Corporation:
 - (i) determine the status of each Director as dependent or independent² when considering Audit Committee composition; and
 - (ii) to the extent practicable, take steps to ensure that a majority of the directors qualify as reasonably independent and unrelated directors.

The Board will disclose annually whether or not the Board has a majority of independent directors and whether the Board is constituted with the appropriate number of directors who are not related to the Corporation or a significant shareholder. It will also disclose annually the analysis of the application of the principles it used in supporting its conclusion.

¹ An unrelated director is a director who is independent of management and free from any interest and any business or other relationship that could, or could reasonably be perceived to, materially interfere with the director’s ability to act with a view to the best interests of the Corporation, other than interests and relationships arising from the holding of shares of the Corporation.

² An independent director is a director who is not an employee or officer of the Corporation and is not receiving remuneration from the Corporation beyond directors’ fees. In the context of the Audit Committee, as defined in Multilateral Instrument 52-110, no material relationship with the Corporation is a further requirement.

The Board, through a sub-committee of the Compensation and Corporate Governance Committee (the “Nominating Sub-Committee”), in determining its composition, shall be mindful of the nature of its business and the specialized knowledge that the Board should possess or acquire.

Independence of the Board of Directors

In order that the Board can function independently of management, it will seek to maintain an equal or majority of the Board as independent and unrelated.

The Chairman of the Board should take such reasonable steps to ensure that the Board:

- A. understands the boundaries between the Board and management responsibilities;
- B. addresses its responsibilities under this Corporate Governance Policy; and
- C. meets on a regular basis without management present.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board of the Corporation currently provides for three committees of the Board described below, although it may appoint other committees or create sub-committees as needed.

The Corporation’s corporate governance practices require that committees of the Board generally be composed of directors, a majority of whom are both independent directors and unrelated directors.

The Committees of the Board include:

- 1. Audit Committee; and**
- 2. Compensation and Corporate Governance Committee.**

DECISIONS REQUIRING PRIOR APPROVAL BY THE BOARD OF DIRECTORS

The Board may delegate to senior management or to a committee of the Board certain of its authorities, but it will maintain policies with respect to matters that cannot be delegated and that require prior approval of the Board. These policies, and the understanding between management and the Board through previous Board practice and accepted legal practice, will require that the Corporation’s annual strategic, operating and capital plans, significant capital expenditures and all transactions or other matters of a material nature or dealing with non-arm’s length parties must be presented by management for approval by the Board.

NEW DIRECTORS

New directors, as part of the orientation program, meet with senior management to discuss the business of the Corporation and receive historical and current operating and financial information and may tour offices and locations of the Corporation.

SHAREHOLDER FEEDBACK AND CONCERNS

In addition to the information provided to shareholders in connection with the annual general meeting of shareholders and the continuous disclosure requirements of securities regulatory authorities, the

Corporation maintains a policy of ongoing communication with investors and representatives of the investment community, which the Board should be familiar with.

EXPECTATIONS OF MANAGEMENT

The Board will determine its expectations of senior management and take reasonable steps to ensure that senior management understands these expectations.

As part of the ongoing process of monitoring the performance of management, the Board will receive operational updates at each Board meeting. These updates will compare actual performance to the Corporation's annual plans and include discussion of all significant variances.

DISCLOSURE POLICY

The Corporate Disclosure Policy is available upon request from the Corporation. Its purpose is to ensure, in so far as is practicable, that all material issues relating to the Corporation are adequately communicated to shareholders and other stakeholders, and includes provisions regarding the release of annual and quarterly reports and press releases. It is reviewed annually by the Board.

In addition to annual general meetings, meetings will be held from time to time in each year between management and various investors, investment analysts, credit rating agencies and financial institutions. Selective disclosure to investors and investment analysts will not be permitted and the Corporate Disclosure Policy contains measures to prevent this from occurring.

QUIET PERIOD

The Corporation has adopted a quiet period in accordance with the recommended guidelines set out in National Policy 51-201 during which no earnings guidance or comments with respect to the current quarter's operations or expected results will be provided to analysts, investors or other market professionals. The quiet period will run between the first day of the month following the quarter end and the release of a quarterly earnings announcement. Communications that may occur during the quiet period must be limited to responding to inquiries concerning publicly available or non-material information.

SCHEDULE "B"

AUDIT COMMITTEE CHARTER

The audit committee (the "**Committee**") of Phoenix Gold Resources Corp. (the "**Corporation**") is a committee of the board of directors of the Corporation (the "**Board**"). The role of the Committee is to:

- provide oversight of the Corporation's financial management and of the design and implementation of an effective system of internal financial controls as well as to review and report to the Board on the integrity of the financial statements of the Corporation, its subsidiaries and associated companies;
- helping directors meet their responsibilities, facilitating better communication between directors and the external auditor;
- enhancing the independence of the external auditor;
- increasing the credibility and objectivity of financial reports and strengthening the role of the directors by facilitating in-depth discussion among directors, management and the external auditor;

Management is responsible for establishing and maintaining those controls, procedures and processes and the Committee is appointed by the Board to review and monitor them. The Corporation's external auditor is ultimately accountable to the Board and the Committee as representatives of the Corporation's shareholders.

I. DUTIES AND RESPONSIBILITIES

External Auditor

1. To recommend to the Board, for shareholder approval, an external auditor to examine the Corporation's accounts, controls and financial statements on the basis that the external auditor is accountable to the Board and the Committee as representatives of the shareholders of the Corporation.
2. To oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.
3. To evaluate the audit services provided by the external auditor, pre-approve all audit fees and recommend to the Board, if necessary, the replacement of the external auditor.
4. To pre-approve any non-audit services to be provided to the Corporation by the external auditor and the fees for those services.
5. To obtain and review, at least annually, a written report by the external auditor setting out the auditor's internal quality-control procedures, any material issues raised by the auditor's internal quality-control reviews and the steps taken to resolve those issues.
6. To review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation. The Committee has adopted the following guidelines regarding the hiring of any partner, employee, reviewing tax professional or other person providing audit assurance to the external auditor of the Corporation on any aspect of its certification of the Corporation's financial statements:

- (a) no member of the audit team that is auditing a business of the Corporation can be hired into that business or into a position to which that business reports for a period of three years after the audit;
 - (b) no former partner or employee of the external auditor may be made an officer of the Corporation or any of its subsidiaries for three years following the end of the individual's association with the external auditor;
 - (c) the Chief Financial Officer of the Corporation (the "CFO") must approve all office hires from the external auditor; and
 - (d) the CFO must report annually to the Committee on any hires within these guidelines during the preceding year.
7. To ensure that the head audit partner assigned by the external auditor to the Corporation, as well as the audit partner charged with reviewing the audit of the Corporation, are changed at least every five years.
8. To review, at least annually, the relationships between the Corporation and the external auditor in order to establish the independence of the external auditor.

Financial Information and Reporting

9. To review the Corporation's annual audited financial statements with the Chief Executive Officer of the Corporation (the "CEO") and CFO and then with the full Board. The Committee will review the interim financial statements with the CEO and CFO.
10. To review and discuss with management and the external auditor, as appropriate:
- (a) the annual audited financial statements and the interim financial statements, including the accompanying management discussion and analysis; and
 - (b) earnings guidance and other releases containing information taken from the Corporation's financial statements prior to their release.
11. To review the quality and not just the acceptability of the Corporation's financial reporting and accounting standards and principle and any proposed material changes to them or their application.
12. To review with the CFO any earnings guidance to be issued by the Corporation and any news release containing financial information taken from the Corporation's financial statements prior to the release of the financial statements to the public. In addition, the CFO must review with the Committee the substance of any presentations to analysts or rating agencies that contain a change in strategy or outlook.

Oversight

13. To review the internal audit staff functions, including:
- (a) the purpose, authority and organizational reporting lines;
 - (b) the annual audit plan, budget and staffing; and
 - (c) the appointment and compensation of the controller, if any.
14. To review, with the CFO and others, as appropriate, the Corporation's internal system of audit controls and the results of internal audits.

15. To review and monitor the Corporation's major financial risks and risk management policies and the steps taken by management to mitigate those risks.
16. To meet at least annually with management (including the CFO), the internal audit staff, and the external auditor in separate executive session and review issues and matters of concern respecting audits and financial reporting.
17. In connection with its review of the annual audited financial statements and interim financial statements, the Committee will also review the process for the CEO and CFO certifications (if required by law or regulation) with respect to the financial statements and the Corporation's disclosure and internal controls, including any material deficiencies or changes in those controls.

II. MEMBERSHIP

The Committee shall consist of three or more members of the Board, the majority of which have been determined to be independent as required under applicable securities rules or applicable stock exchange rules.

Any member may be removed from office or replaced at any time by the Board and shall cease to be a member upon ceasing to be a director. Each member of the Committee shall hold office until the close of the next annual meeting of shareholders of the Corporation or until the member ceases to be a director, resigns or is replaced, whichever first occurs.

The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.

All members of the Committee must be "**financially literate**" (i.e., have the ability to read and understand a set of financial statements such as balance sheet, an income statement and a cash flow statement).

III. PROCEDURES

1. The Board shall appoint one of the directors elected to the Committee as the Chairperson of the Committee (the "**Chairperson**"). In the absence of the appointed Chairperson from any meeting of the Committee, the members shall elect a Chairperson from those in attendance to act as Chairperson of the meeting.
2. The Chairperson will appoint a secretary (the "**Secretary**") who will keep minutes of all meetings. The Secretary does not have to be a member of the Committee or a director and can be changed by simple notice from the Chairperson.
3. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by resolution in writing signed by all the members of the Committee. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one-half of the number of members plus one shall constitute a quorum.
4. The Committee will meet as many times as is necessary to carry out its responsibilities. Any member of the Committee or the external auditor may call meetings.
5. The time and place of the meetings of the Committee, the calling of meetings and the procedure in all respects of such meetings shall be determined by the Committee, unless otherwise provided for in the Articles of the Corporation or otherwise determined by resolution of the Board.
6. The Committee shall have the resources and authority necessary to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms (including termination) of special counsel, advisors or other experts or consultants as it deems appropriate.

7. The Committee has the authority to communicate directly with the internal and external auditors.

IV. **REPORTS**

The Committee shall produce the following reports and provide them to the Board:

1. an annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of this Charter. The performance evaluation should also recommend to the Board any improvements to this Charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the Chairperson or any other member of the Committee designated by the Committee to make this report; and
2. a summary of the actions taken at each Committee meeting, which shall be presented to the Board at the next Board meeting.

SCHEDULE "C"

RESTRICTED SHARE UNIT PLAN

1. Purpose

- (a) **Background.** The Issuer currently has in place the Stock Option Plan pursuant to which Options may be granted to purchase Shares of the Issuer. Subject to section 14 hereof, the Issuer now also adopts this RSU Plan on the terms and conditions herein set forth (as may be amended from time to time) in order to provide the Issuer with flexibility in designing various equity-based compensation arrangements for the Directors, Employees, Consultants and other Persons engaged to provide ongoing services to the Issuer and its Affiliates, other than Persons involved in Investor Relations Activities relating to the Issuer. The Issuer represents that Employees, Consultants or Management Company Employees who are granted Awards under this RSU Plan will be bona fide Employees, Consultants or Management Company Employees at the time of grant. Section 14 hereof sets forth the provisions concerning the effective date of the RSU Plan, its termination and application to Awards under the existing and continuing Stock Option Plan.
- (b) **Purpose.** The purpose of this RSU Plan is to advance the interests of the Issuer by encouraging Directors, Employees and Consultants to receive equity-based compensation and incentives, thereby (i) increasing the proprietary interests of such Persons in the Issuer, (ii) aligning the interests of such Persons with the interests of the Issuer's shareholders generally, (iii) encouraging such Persons to remain associated with the Issuer, and (iv) furnishing such Persons with additional incentive in their efforts on behalf of the Issuer. The Board also contemplates that through the RSU Plan, the Issuer will be better able to compete for and retain the services of the individuals needed for the continued growth and success of the Issuer.

Restricted Share Units granted pursuant to this RSU Plan will be used to compensate Participants for their individual performance-based achievements and are intended to supplement stock option awards in this specific respect. The goal of such grants is to more closely tie Awards to individual performance based on established Performance Criteria.

2. Definitions

For purposes of this RSU Plan, the following terms shall have the meaning set forth below:

- (a) "**Act**" means the *Business Corporations Act* (British Columbia), or its successor, as amended, from time to time.
- (b) "**Affiliate**" has the meaning ascribed to that term in section 2 of Policy 1.1 of the TSXV.
- (c) "**Associate**" has the meaning ascribed to that term in section 1.2 of Policy 1.1 of the TSXV.
- (d) "**Awards**" means the Restricted Share Units.
- (e) "**Board**" means the board of directors of the Issuer.
- (f) "**Change of Control**" has the meaning ascribed to that term in section 1.2 of Policy 1.1 of the TSXV.
- (g) "**Committee**" means the Board, or if the Board so determine in connection with section 3 hereof, the committee of the Board authorized to administer the RSU Plan.
- (h) "**Company**" means a company, incorporated association, or organization, body corporate, partnership, trust, association or other entity other than an individual.
- (i) "**Consultant**" means an individual (other than an Employee or a Director) or Company, that:

- (i) is engaged to provide, on an ongoing bona fide basis, consulting, technical, management or other services to the Issuer or to an Affiliate of the Issuer, other than services provided in relation to a Distribution;
 - (ii) provides the services under a written contract between the Issuer or an Affiliate of the Issuer and the individual or the Company, as the case may be;
 - (iii) in the reasonable opinion of the Issuer, spends or will spend a significant amount of time and attention on the affairs and business of the Issuer or an Affiliate of the Issuer; and
 - (iv) has a relationship with the Issuer or an Affiliate of the Issuer that enables the individual to be knowledgeable about the business and affairs of the Issuer.
- (j) "**Control**" means, with respect to any Person, the possession, directly or indirectly, severally or jointly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or credit arrangement, as trustee or executor, or otherwise.
- (k) "**Director**" means a director, senior officer or Management Company Employee of the Issuer, or a director, senior officer or Management Company Employees of the Issuer's subsidiaries.
- (l) "**Disability**" means a physical injury or mental incapacity of a nature which the Committee determines prevents or would prevent the Grantee from satisfactorily performing the substantial and material duties of his or her position with the Issuer.
- (m) "**Disinterested Shareholder Approval**" means that the proposal must be approved by a majority of the votes cast at the shareholders' meeting other than votes attaching to securities beneficially owned by Insiders and their Associates to whom Shares may be issued pursuant to this RSU Plan.
- (n) "**Effective Date**" means the date as of which an Award shall take effect, provided that the Effective Date shall not be a date prior to the date the Granting Authority determines an Award shall be made and, unless otherwise specified by the Granting Authority, the Effective Date will be the date the Granting Authority determines an Award shall be made.
- (o) "**Eligible Person**" means, from time to time, any Director or Employee of the Issuer or an Affiliate of the Issuer, any Consultant and any Permitted Assign, other than Persons involved in Investor Relations Activities relating to the Issuer.
- (p) "**Eligible Retirement**" means, if determined by the Granting Authority in its sole discretion, termination of service, under circumstances as shall constitute retirement for age as determined by the Granting Authority or in accordance with the written policies established by the Granting Authority as they may be amended or revised from time to time.
- (q) "**Employees**" means:
- (i) an individual who is considered an employee under the ITA (such as an individual for whom income tax, employment insurance and Canadian Pension Plan deductions must be made at the source) of the Issuer or any Affiliate;
 - (ii) an individual who works full-time for the Issuer or any Affiliate thereof providing services normally provided by an employee and who is subject to the same control and direction by the Issuer or any Affiliate thereof over the details and methods of work as an employee of the Issuer or any Affiliate thereof, but for whom income tax deductions are not made at the source; or
 - (iii) an individual who works for the Issuer or any Affiliate thereof 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 Issuer or any Affiliate thereof over the details and methods of work as an employee of the Issuer or any Affiliate thereof, but for whom income tax deductions are not made at the source.

- (r) "**Exchange**" means the TSXV or such other stock exchange where the Shares are listed for trading as at the relevant time.
- (s) "**Grant Date**" means the date on which an Award is granted to a Participant.
- (t) "**Granting Authority**" means the Board, the Committee or other committee, as applicable, that is charged with exercising the powers and responsibility as to a specific matter in question affecting this RSU Plan or an Award.
- (u) "**Insiders**" has the same meaning ascribed to that term in section 1.2 of Policy 1.1 of the TSXV.
- (v) "**Issuer**" means Phoenix Gold Resources Corp., a Company existing under the Act, and includes any successor Company thereof.
- (w) "**Investor Relations Activities**" has the same meaning ascribed to that term in section 1.2 of Policy 1.1 of the TSXV.
- (x) "**Investor Relations Service Provider**" includes any Consultant that perform Investor Relations Activities and any Director, Officer, Employee, or Management Company Employee whose role and duties primarily consist of Investor Relations Activities.
- (y) "**ITA**" means the *Income Tax Act* (Canada) and any regulations thereunder as amended from time to time.
- (z) "**Management Company Employee**" means an individual employed by a Person providing management services to the Issuer, which are required for the ongoing successful operation of the business enterprise of the Issuer, but excluding a Person involved in Investor Relations Activities relating to the Issuer.
- (aa) "**Market Value**" of a Share as of a relevant date shall mean the fair market value as determined by the Granting Authority:
 - (i) in accordance with the rules of the TSXV if the Shares are then listed on such Exchange; or
 - (ii) if the Shares are not publicly traded at the time a determination of its fair market value is required to be made hereunder, the determination of fair market value shall be made in good faith by the Granting Authority using any fair and reasonable means selected in the Granting Authority's discretion.
- (bb) "**Option**" means an option granted in accordance with the terms of the Stock Option Plan to purchase a Share.
- (cc) "**Participants**" or "**Grantees**" means those individuals to whom Awards have been granted from time to time under the RSU Plan.
- (dd) "**Performance Criteria**" means such financial, personal and/or other performance criteria as may be determined by the Granting Authority with respect to Awards of Restricted Share Units and, for greater certainty, the Committee may take into consideration the present and potential contributions of and the services rendered by the particular Participant to the success of the Issuer and any other factors which the Granting Authority deems appropriate and relevant.
- (ee) "**Permitted Assign**" means for a person that is an Employee, Director or Consultant of the Issuer or any of its Affiliates, a holding entity (as defined in National Instrument 45-106) of the person or an RRSP or RRIF of the

Person.

- (ff) "**Person**" means a Company or an individual.
- (gg) "**Restricted Period**" means the period established by the Granting Authority with respect to an Award during which the Award either remains subject to forfeiture or is not exercisable by the Participant.
- (hh) "**Restricted Share Unit**" means a right, granted in accordance with section 6 hereof, to receive a Share.
- (ii) "**RSU Plan**" means this Restricted Share Unit Plan, as amended and restated from time to time.
- (jj) "**Security Based Compensation**" includes any Deferred Share Unit, Performance Share Unit, Restricted Share Unit, Securities for Services, Stock Appreciation Right, Stock Option, Stock Purchase Plan, any security purchase from treasury by a Participant which is financially assisted by the Issuer by any means whatsoever, and any other compensation or incentive mechanism involving the issuance or potential issuance of securities of the Issuer from treasury to a Participant, including securities issued under Part 6, and for greater certainty, does not include:
 - (i) arrangements which do not involve the issuance from treasury or potential issuance from treasury of securities of the Issuer;
 - (ii) arrangements under which Security Based Compensation is settled solely in cash and/or securities purchased on the secondary market; and
 - (iii) Shares for Services and Shares for Debt arrangements under Policy 4.3 – *Shares for Debt* that have been conditionally accepted by the Exchange prior to November 24, 2021.
- (kk) "**Shareholder Approval Date**" means the date on which this RSU Plan is approved by the shareholders of the Issuer.
- (ll) "**Shares**" means the common shares of the Issuer, as adjusted in accordance with the provisions of section 9 hereof.
- (mm) "**Stock Option Plan**" means the Issuer's stock option incentive plan as it exists on the date hereof and as may be amended from time to time.
- (nn) "**Termination**" means: (i) in the case of an Employee, the termination of the employment of the Employee with or without cause by the Issuer or an Affiliate or the cessation of employment of the Employee with the Issuer or an Affiliate, other than the Eligible Retirement, of the Employee; and (ii) in the case of a Consultant, the termination of the services of the Consultant by the Issuer or any Affiliate.
- (oo) "**TSXV**" means the TSX Venture Exchange.
- (pp) "**TSXV Hold Period**" means the day that is four months and one day after the date of granting of the Award.
- (qq) "**Vested**" or "**Vesting**" means, with respect to an Award, that the applicable conditions established by the Granting Authority or this RSU Plan have been satisfied or, to the extent permitted under the RSU Plan, waived, whether or not the Participant's rights with respect to such Award may be conditioned upon prior or subsequent compliance with any confidentiality, non-competition or non-solicitation obligations, provided that no RSU shall vest within one year of the date of grant except in the event of death of the holder or the holder ceases to be an Eligible Person in connection with a Change of Control, takeover bid, reverse takeover or similar transaction.

3. Administration

- (a) **Powers of the Board and the Committee.** Subject to and consistent with the terms of the RSU Plan, applicable

law and applicable rules of the Exchange, and subject to the provisions of any charter adopted by the Board with respect to the powers, authority and operation of the Committee (as amended from time to time), the Board will have the general power to administer the RSU Plan in accordance with its terms (including all powers specified in clause 3(a)(ii) hereof and make all determinations required or permitted to be made, provided, however, that the Board may delegate all or any portion of such powers to the Committee or to other committees and provided, further, that with respect to Awards of the Issuer's executive officers, the Committee shall have such powers as are set forth in clause 3(a)(i) hereof.

- (i) Specific Provisions Concerning Delegation of Authority to the Committee. In addition to any authority of the Committee specified under any other terms of the RSU Plan, and notwithstanding any other provision herein to the contrary, insofar as Awards under the RSU Plan are to be made to executive officers, the Committee will make recommendations to the Board with respect to Awards.

The foregoing shall not limit the Board in delegating any other powers to the Committee or in delegating any or all determinations or other powers with respect to certain types of Awards, including the full power to make Awards and to exercise the other powers set forth in clause 3(a)(ii) hereof and the other powers granted herein to the Granting Authority.

- (ii) Specific Powers of the Granting Authority. Without limiting the lead-in paragraph of subsection 3(a) hereof, the powers of the Granting Authority shall include the powers to, subject to subsection 10(c) hereof:

- (1) interpret the RSU Plan and instruments of grant evidencing the Awards;
- (2) prescribe, amend and rescind such procedures and policies, and make all determinations it deems necessary or desirable for the administration and interpretation of the RSU Plan and instruments of grant evidencing Awards;
- (3) determine those Persons who are eligible to be Participants, grant one or more Awards to such Persons and approve or authorize the applicable form and terms of the related instrument of grant;
- (4) determine the terms and conditions of Awards granted to any Participant, including, without limitation, and subject always to the RSU Plan (1) subject to subsection 4(b) and 4(c), the type, and number of Shares subject to an Award, (2) the conditions to the Vesting of an Award or any portion thereof, including terms relating to lump sum or instalment Vesting, the period for achievement of any applicable Performance Criteria as a condition to Vesting and the conditions, if any, upon which Vesting of any Award or portion thereof will be waived or accelerated without any further action by the Granting Authority, (3) the circumstances upon which an Award or any portion thereof shall be forfeited, cancelled or expire, (4) the consequences of a Termination with respect to an Award, (5) the manner of exercise or settlement of the Vested portion of an Award, including whether an Award shall be settled on a current or deferred basis, and (6) whether and the terms upon which any Shares delivered upon exercise or settlement of an Award must continue to be held by a Participant for any specified period;
- (5) set forms of consideration, if any, to be paid with respect to the settlement of an Award (except to the extent certain forms of consideration must be paid to satisfy the requirements of applicable law);
- (6) determine whether and the extent to which any Performance Criteria or other conditions applicable to Vesting of an Award have been satisfied or shall be waived or modified;
- (7) amend the terms of any instrument of grant or other documents evidencing Awards; provided, however, that subject to subsection 5(d) hereof, no amendment of an Award may, without the consent of the holder of the Award, adversely affect such Person's rights with

respect to such Award in any material respect;

- (8) accelerate or waive any condition to the Vesting of any Award, all Awards, any class of Awards or Awards held by any group of Participants, provided that the RSUs shall not vest within one year of the date of grant except in the event of death of the holder or the holder ceases to be an Eligible Person in connection with a Change of Control, takeover bid, reverse takeover or similar transaction; and
- (9) determine whether and the extent to which adjustments shall be made pursuant to section 9 hereof and the terms of any such adjustments.

However, the Granting Authority shall not have any discretion under this subsection 3(a) or any other provisions of the RSU Plan that would modify the terms or conditions of any Award that is intended to be exempt from the definition of "salary deferral arrangement" in the ITA if the exercise of such discretion would cause the Award to not be or cease to be exempt. The Granting Authority will also exercise its discretion in good faith in accordance with the Issuer's intention that the terms of the Awards and the modifications or waivers permitted hereby are in compliance with applicable law and the rules of the Exchange.

- (b) **Effects of Granting Authority's Decision.** Any action taken, interpretation or determination made, or any rule or regulation adopted by the Granting Authority pursuant to this RSU Plan shall be made in its sole discretion and shall be final, binding and conclusive on all affected Persons, including, without limitation, the Issuer, any of its Affiliates, any Grantee, holder or beneficiary of an Award, any shareholder and any Eligible Person.
- (c) **Liability Limitation and Indemnification.** No member of the Granting Authority or the Board generally shall be liable for any action or determination made in good faith pursuant to the RSU Plan or any instrument of grant evidencing any Award granted under the RSU Plan. To the fullest extent permitted by law, the Issuer shall indemnify and save harmless, and shall advance and reimburse the expenses of, each Person made, or threatened to be made, a party to any action or proceeding in respect of the RSU Plan by reason of the fact that such Person is or was a member of the Granting Authority or is or was a member of the Board in respect of any claim, loss, damage or expense (including legal fees) arising therefrom.
- (d) **Delegation and Administration.** The Granting Authority may, in its discretion, delegate such of its powers, rights and duties under the RSU Plan, in whole or in part, to such committee, Person or Persons as it may determine, from time to time, on terms and conditions as it may determine, except the Granting Authority shall not, and shall not be permitted to, delegate any such powers, rights or duties: (i) with respect to the grant, amendment, administration or settlement of any Award of a Participant, (ii) with respect to the establishment or determination of the achievement of the Performance Criteria, or (iii) with respect to any matter that would be in violation of applicable law or the rules of any Exchange. The Granting Authority may also appoint or engage a trustee, custodian or administrator to administer and implement the RSU Plan or any aspect of it, subject to the exception of the immediately preceding sentence hereof.

4. Shares Subject to the Plan

- (a) **Aggregate Plan Limits.** Subject to adjustment pursuant to section 9 hereof, the maximum aggregate number of Shares that may be reserved for issue at any given time in connection with the Awards granted under this RSU Plan shall not exceed **4,884,031 Shares** at any point in time (being 10% of the issued and outstanding Shares as at the date on which the Board approved this RSU Plan) unless Disinterested Shareholder Approval for an additional listing of Shares under this RSU Plan has been obtained. Notwithstanding the foregoing, at no time shall the number of Shares that may be reserved for issue under this RSU Plan exceed 10% of the total number of issued and outstanding Shares (calculated on a non-diluted basis) on the Grant Date.
- (b) **Certain Additional Limits.** Notwithstanding anything to the contrary in this RSU Plan, as long as the Shares are listed on the TSXV,
 - (i) the maximum number of Shares which may be reserved for issue pursuant to this RSU Plan to all

Insiders shall not, at any point in time, exceed a total aggregate of **4,884,031** Shares (being 10% of the number of Shares issued and outstanding on a non-diluted basis) less the number of Shares issuable at any point in time to all Insiders under all other Security Based Compensation Plans, unless the Issuer has received Disinterested Shareholder Approval);

- (ii) the maximum number of Shares which may be reserved for issue pursuant to this RSU Plan to all Insiders within a 12 month period shall not exceed **4,884,031** Shares (being 10% of the number of Shares issued and outstanding on a non-diluted basis) less the number of Shares issuable to all Insiders in any such 12 month period under all other Security Based Compensation Plans, calculated as at the date of grant or issuance to any Insider, unless the Issuer has received Disinterested Shareholder Approval);
 - (iii) the maximum number of Shares which may be reserved for issue pursuant to this RSU Plan to any one Person within a 12 month period shall not exceed **2,442,015** Shares (being 5% of the number of Shares issued and outstanding on a non-diluted basis) less the number of Shares issuable in any such 12 month period to such Person under all other Security Based Compensation Plans, unless the Issuer has received Disinterested Shareholder Approval);
 - (iv) the maximum number of Shares which may be reserved for issue pursuant to this RSU Plan to any one Consultant in any 12 month period shall not exceed **976,806** Shares (being 2% of the number of Shares issued and outstanding on a non-diluted basis) less the number of Shares issuable in any such 12 month period to such Consultant under all other Security Based Compensation Plans, calculated as at the date of grant or issuance, unless the Issuer has received Disinterested Shareholder Approval); and
 - (v) Investor Relations Service Providers may not receive any Security Based Compensation other than the Awards granted under this RSU Plan.
- (c) **Source of Shares.** Except as expressly provided in the RSU Plan, Shares delivered to Participants in connection with the exercise or settlement of Awards may be authorized but unissued Shares, Shares purchased in the open-market or in private transactions. The Board shall take such action as may be necessary to authorize and reserve for issue from unissued Shares such number of Shares as may be necessary to permit the Issuer to meet its obligations under the RSU Plan, provided, however, that the Issuer may satisfy its obligations from treasury shares or Shares purchased in the open market or private transactions.
- (d) **Legends.** In addition to any resale restrictions required under applicable securities laws or the policies of the TSXV, all Awards issued to Insiders and any Shares issued upon the Vesting of the Awards prior to the expiry of the TSXV Hold Period, must be legended as prescribed under the policies of the TSXV with the TSXV Hold Period commencing on the date the Awards were granted.

5. General Provisions Relating to Awards

- (a) **Eligibility.** Awards will be granted only to those Persons who are, at the time of the grant, Eligible Persons. If any Participant is (pursuant to the terms of his or her employment or otherwise) subject to a requirement that he or she not benefit personally from an Award, the Granting Authority may grant any Award to which such Person would otherwise be entitled to the Person's employer or to any other entity designated by them that directly or indirectly imposes such requirement on the Person. The Granting Authority shall have the power to determine other eligibility requirements with respect to Awards or types of Awards.
- (b) **Terms of Grant.** Subject to the other express terms of this RSU Plan, grants of Awards under the RSU Plan shall contain such terms and conditions as the Granting Authority may specify. Without limiting the foregoing,
 - (i) Each Award granted under the RSU Plan shall be evidenced by an instrument of grant, in such form or forms as the Granting Authority shall approve from time to time, which shall set forth such terms and conditions consistent with the terms of the RSU Plan as the Granting Authority may determine. Each instrument of grant shall set forth, at a minimum, the type and Effective Date of the Award

evidenced thereby, the number of Shares subject to such Awards and the applicable Vesting conditions. Reference in the RSU Plan to an instrument of grant shall include any supplements or amendments thereto.

- (ii) The term or Restricted Period of each Award that is a Restricted Share Unit shall be for such period as may be determined by the Granting Authority, provided, however, that in no event shall the term of any Restricted Share Unit exceed a period of 10 years (or such other shorter term as may be required in respect of an Award so that such Award does not constitute a "salary deferral arrangement" as defined in subsection 248(1) of the ITA), subject to extension of such term where such term expires during the Restricted Period, provided that such extension may not be longer than 10 business days after the expiry of the Restricted Period.
 - (iii) The terms, conditions and/or restrictions contained in an Award may differ from terms, conditions and restrictions contained in any other Awards.
 - (iv) The Granting Authority may specify such other terms and conditions, consistent with the terms of the RSU Plan, as the Granting Authority shall determine or as shall be required under any other provisions of the RSU Plan. Such terms may include, without limitation, provisions requiring forfeiture of Awards in the event of termination of employment by the Participant and provisions permitting a Participant to make elections relating to his or her Award.
- (c) **Vesting Conditions.** Subject to terms of the RSU Plan, the Granting Authority shall determine any and all conditions to the Vesting of all and/or any portion of Awards and shall specify the material terms thereof in the applicable instrument of grant on, or as soon as reasonably practicable following, the Effective Date of the Award. Vesting of an Award, or portion thereof, may be conditioned upon passage of time, continued employment, satisfaction of Performance Criteria, or any combination of the foregoing, as determined by the Granting Authority.
- (d) **Change of Control.** Any Restricted Share Units that are not yet Vested shall, upon the date of a Change of Control, become fully Vested and the holder shall receive a cash payment within 30 days of the date of Change of Control equal to the number of the holder's Restricted Share Units multiplied by the fair market value of the Company's Shares as at the date of the Change of Control.
- (e) **Fractional Shares.** No fractional Shares shall be issued under the RSU Plan and there shall be no entitlement or payment for any fractional Shares and no payment shall be made in lieu of a fractional Share.
- (f) **Compliance with the ITA.** The terms and conditions applicable to any Award (or portion thereof) granted to a Participant who is subject to taxation under the ITA are intended to comply with the ITA. Without limiting the foregoing,
- (i) the terms of any such Award (or portion thereof) permitting the deferral of payment or other settlement thereof shall be subject to such requirements and shall be administered in such manner as the Committee may determine to be necessary or appropriate to comply with the applicable provisions of the ITA as in effect from time to time; and
 - (ii) any elections allowed to be exercised by a Participant shall be deemed to be void or shall be deemed amended or altered so as not to cause the Award to be considered a "salary deferral arrangement" under the ITA, as defined in subsection 248(1) or create adverse tax consequences under the ITA.

6. Restricted Share Units

- (a) **Grants.** The Granting Authority may from time to time grant one or more Awards of Restricted Share Units to Eligible Persons on such terms and conditions, consistent with the RSU Plan, as the Granting Authority shall determine and which terms shall be contained in a grant agreement substantially in the form annexed hereto as Schedule A in respect of Restricted Share Units.

- (b) **Vesting Terms.** Restricted Share Units shall become Vested, no earlier than one year from the date of grant except in the event of death of the holder or the holder ceases to be an Eligible Person in connection with a change of control, takeover bid, reverse takeover, or similar transaction, at such times, in such instalments and subject to such terms and conditions consistent with subsection 5(c) hereof as may be determined by the Granting Authority and set forth in the applicable instrument of grant, provided that the conditions to Vesting of Restricted Share Units may be based on the Participant's continued employment and having regard to the satisfaction of any Performance Criteria established by the Granting Authority, provided however that Restricted Share Units shall become Vested and be paid out no later than December 31 of the third calendar year following the calendar year in which the Grantee rendered the services in respect of which the Award is being made (the "**Trigger Date**").
- (c) **Settlement.** Unless otherwise determined by the Granting Authority (including by the terms of the Award of the RSU Plan) and subject to the immediately preceding sentence and to subsection 6(b) hereof, Restricted Share Units shall be settled upon or as soon as reasonably practicable following the Vesting thereof subject to payment or other satisfaction of all related withholding obligations in accordance with the provisions of this RSU Plan.

Notwithstanding the foregoing, Restricted Share Units shall also Vest in accordance with the following terms:

- (i) upon the death of the Participant, all unvested Restricted Share Units credited to the Participant will Vest on the date the Issuer is duly notified of the Participant's death. The Shares represented by the Restricted Share Units held by the Participant shall be issued, as determined by the Granting Authority, to the Participant's estate forthwith;
- (ii) in the case of Eligible Retirement of the Participant, all unvested Restricted Share Units credited to the Participant will Vest on the date of Eligible Retirement, and the Shares represented by Restricted Share Units held by the Participant shall be issued to the Participant forthwith;
- (iii) in the case of total Disability of the Participant, all unvested Restricted Share Units credited to the Participant will Vest within 60 days following the date on which the Participant is determined to be totally disabled, and the Shares represented by Restricted Share Units held by the Participant shall be issued to the Participant forthwith; and
- (iv) in the case of termination without cause by the Issuer of a Participant (other than Eligible Retirement), all unvested Restricted Share Units credited to the Participant shall Vest on the date of such termination, and the Shares represented by Restricted Share Units held by the Participant shall be issued to the Participant forthwith. For clarity, where a Participant is terminated for cause or where the Participant has voluntarily terminated his/her employment or service with the Issuer, all unvested Restricted Share Units as at the date of such termination or cessation of service shall be immediately cancelled without liability or compensation therefor and be of no further force and effect.

Settlement of Restricted Share Units in Shares shall be made by delivery of one Share for each such Restricted Share Unit then being settled, unless at the sole discretion of the Granting Authority, settlement is made by payment of the cash value of the market price (as defined under the policies of the TSXV) for the Shares as at the date of Vesting in lieu of delivery of one Share for each such Restricted Share Unit for any or all such Restricted Share Units.

Upon payment of any amount pursuant to settlement of Restricted Share Units granted under this section 6 in Shares, the particular Restricted Share Units in respect of which such payment was made shall be cancelled and no further payments (whether in Shares or otherwise) shall be made in relation to such Restricted Share Units.

If any Restricted Share Unit is cancelled in accordance with the terms of the RSU Plan or the agreements evidencing the grant, the Shares reserved for issue pursuant to such Award shall, upon cancellation of such Restricted Share Unit, revert to the RSU Plan and shall be available for other Awards.

- (d) **Dividend Equivalents.** Neither the Participant nor his or her legal personal representative shall have any rights or privileges of a shareholder in respect of any of the Shares issuable upon exercise of the Award granted to him or her (including any right to receive dividends or other distributions therefrom or thereon) unless and until certificates representing such Shares have been issued and delivered.
- (e) **No Other Benefit.**
 - (i) No amount will be paid to, or in respect of, a Participant (or a Person with whom the Participant does not deal at arm's length within the meaning of the ITA) under the RSU Plan to compensate for a downward fluctuation in the price of a Share or the value of any Award granted, nor will any other form of benefit be conferred upon, or in respect of, a Participant (or a person with whom the Participant does not deal at arm's length within the meaning of the ITA), for such purpose.
 - (ii) The Issuer makes no representations or warranties to Participants with respect to the RSU Plan or any Restricted Share Units whatsoever. Participants are expressly advised that the value of any Restricted Share Units in the RSU Plan will fluctuate as the trading price of the Shares fluctuates.
 - (iii) In seeking the benefits of participation in the RSU Plan, a Participant agrees to exclusively accept all risks associated with a decline in the trading price of the Shares and all other risks associated with the holding of Restricted Share Units.

7. Consequences of Termination

- (a) **General Provisions.** Unless otherwise determined by the Granting Authority (including by the terms of the Award or the RSU Plan).
 - (i) If a Grantee is terminated for any reason whatsoever other than death, total Disability, Eligible Retirement, termination without cause by the Issuer, subject to subsection 6(c) hereof, any non-vested Award granted pursuant to the RSU Plan outstanding at the time of such termination and all rights thereunder shall wholly and completely terminate and no further Vesting shall occur.
 - (ii) If employment of a Grantee is terminated for cause or retirement which is not Eligible Retirement or is otherwise voluntarily terminated by the Grantee, any non-Vested Award granted pursuant to the RSU Plan outstanding at the time of such termination and all rights thereunder shall wholly and completely terminate and no further Vesting shall occur.
- (b) **Discretion of the Granting Authority.** Notwithstanding any other provision hereof and without limiting the discretion of the Granting Authority, the Granting Authority may (whether by terms of the Award or by its election notwithstanding the terms of an Award):
 - (i) allow non-Vested Awards to be treated as Vested upon termination of employment or service of a Participant, as to any or all of termination, death or total Disability;
 - (ii) provide that the Awards with respect to certain classes, types or groups of Participants will have different acceleration, forfeiture, termination, continuation or other terms than other classes, types or groups of Participants;
 - (iii) provide for the continuation of any Award for such period which is not longer than 12 months and upon such terms and conditions as are determined by the Granting Authority in the event that a Participant ceases to be an Eligible Person;
 - (iv) subject to the applicable rules of the Exchange, provide that Vested Awards may be exercised for periods longer or different from those set forth in subsection 7(a) hereof; or
 - (v) set any other terms for the exercise or termination of Awards upon termination of employment or service.

Notwithstanding the foregoing, all Awards granted to Participants who are subject to the ITA shall be on terms that will be designed to prevent them from being considered a "salary deferral arrangement" as defined in subsection 248(1) of the ITA.

- (c) **Leave of Absence.** If an Employee is on sick leave or other bona fide leave of absence, such Person shall be considered an "Employee" for purposes of an outstanding Award during the period of such leave, provided that it does not exceed 90 days (or such longer period as may be determined by the Granting Authority in its sole discretion), or, if longer, so long as the Person's right to reemployment is guaranteed either by statute or by contract. If the period of leave exceeds 90 days (or such longer period as may be determined by the Granting Authority in its sole discretion), the employment relationship shall be deemed to have been terminated on the 91st day (or the first day immediately following any period of leave in excess of 90 days as approved by the Granting Authority) of such leave, unless the Person's right to reemployment is guaranteed by statute or contract.

8. **Transferability**

- (a) **Transfer Restrictions.** No Award, and no rights or interests therein, shall or may be assigned, transferred, sold, exchanged, encumbered, pledged or otherwise hypothecated or disposed of by a Participant other than by testamentary disposition by the Participant or the laws of intestate succession. No such interest shall be subject to execution, attachment or similar legal process including without limitation seizure for payment of the Participant's debts, judgments, alimony or separate maintenance.
- (b) **Transfer upon Death of Participant.** In the case where transfer is made following the death of a Participant to the Participant's legal personal representative, such legal personal representative may only receive the entitlement under the Award provided that it is exercised (if exercisable) at any time up to and including, but not after, 5:00 p.m. (Vancouver time) on the date which is one year following the date of death of the Participant or up to 5:00 p.m. (Vancouver time) on the date on which the Award granted to such participant expires, whichever is the earlier; such entitlement shall only occur in cases where the Award has Vested in accordance with the provisions of the RSU Plan and where it is found that the Participant is legally entitled to the Award.

9. **Adjustments**

- (a) **No Restriction on Action.** The existence of the RSU Plan and/or the Awards granted hereunder shall not limit, affect or restrict in any way the right or power of the Board or the shareholders of the Issuer to make or authorize (i) any adjustment, recapitalization, reorganization or other change in the capital structure or business of the Issuer, (ii) any merger, consolidation, amalgamation or change in ownership of the Issuer, (iii) any issue of bonds, debentures, capital, preferred or prior preference shares ahead of or affecting the capital Share of the Issuer or the rights thereof, (iv) any dissolution or liquidation of the Issuer, (v) any sale or transfer of all or any part of the assets or business of the Issuer, or (vi) any other corporate act or proceeding with respect to the Issuer. No Participant or any other Person shall have any claim against any member of the Board or the Granting Authority, or the Issuer or any employees, officers or agents of the Issuer as a result of any such action.

(b) Recapitalization Adjustment

- (i) In the event that (A) a dividend shall be declared upon the Shares or other securities of the Issuer payable in Shares or other securities of the Issuer, (B) the outstanding Shares shall be changed into or exchanged for a different number or kind of shares or securities of the Issuer or of another Company or entity, whether through an arrangement, plan of arrangement, amalgamation, or other similar statutory procedure or a share recapitalization, subdivision, consolidation or otherwise, (C) there shall be any change, other than those specified in (A) or (B) above, in the number or kind of outstanding Shares or of any securities into which such Shares shall have been changed or for which they shall have been exchanged, or (D) there shall be a distribution of assets or shares to shareholders of the Issuer out of the ordinary course of business then, the Granting Authority shall determine whether an adjustment in the number or kind of Shares theretofore authorized but not yet covered by Awards, in the number or kind of Shares theretofore subject to outstanding Awards, in the number or kind of Shares generally available for Awards or available in any calendar year under the RSU Plan and/or such other adjustment as may be appropriate should be made, in order to ensure that, after any such event, the Shares subject to the RSU Plan and each Participant's proportionate interest shall be maintained substantially as before the occurrence of the event, and if the Granting Authority determines that an adjustment should be made, such adjustment shall be made and be effective and binding for all purposes. Any such adjustment other than a Share consolidation or Share split shall be subject to approval of the Exchange.
- (ii) Any adjustment to any Award granted to a Participant which has been designed to fall within a specific exemption to the definition of "salary deferral arrangement" in subsection 248(1) of the ITA shall be such as to ensure the continued availability of such exemption.

10. Amendment and Termination

- (a) **General.** Subject to the provisions of subsection 10(c) hereof, the Board may amend, suspend or terminate this RSU Plan, or any portion thereof, at any time, subject to those provisions of applicable law and the rules of the Exchange, if any, that require the approval of shareholders or any governmental regulatory body.
- (b) **Amendments Specifically Permitted.** Without limiting the generality of the foregoing, the Board may make the following types of amendments to the RSU Plan without seeking shareholder approval (unless and to the extent prohibited by applicable law or rule of an Exchange):
 - (i) amendments of a technical, clerical or "housekeeping" nature including, without limiting the generality of the foregoing, any amendments for the purpose of curing any ambiguity, error or omission in the RSU Plan or to correct or supplement any provision of the RSU Plan that is inconsistent with any other provision of the RSU Plan;
 - (ii) amendments necessary to comply with the provisions of applicable law and the applicable rules of the Exchange;
 - (iii) amendments necessary in order for Awards to qualify for favourable treatment under the ITA or under the United States Internal Revenue Code;
 - (iv) amendments respecting administration of the RSU Plan;
 - (v) any amendments to the vesting provision of the RSU Plan or any Award;
 - (vi) any amendments to the early termination provisions of the RSU Plan or any Award, whether or not such Award is held by an Insider, provided such amendment does not entail an extension of an Award beyond the original expiry date;
 - (vii) any amendments in the termination provision of the RSU Plan or any Award, other than an Award

held by an Insider in the case of an amendment extending the term of an Award, provided any such amendment does not entail an extension of the expiry date of such Award beyond its original expiry date;

- (viii) adjustments to outstanding Awards in the event of a Change of Control or similar transaction entered into by the Issuer;
- (ix) amendments necessary to suspend or terminate the RSU Plan; and
- (x) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law or the rules of the Exchange.

(c) **Shareholder Approval.** To the extent required by applicable law or by the rules of the Exchange, shareholder approval will be required for the following types of amendments:

- (i) any amendment extending the term of an Award beyond its original expiry date except as otherwise permitted by the RSU Plan;
- (ii) any amendment extending eligibility to participate in the RSU Plan to persons other than Eligible Persons;
- (iii) any amendment permitting the transfer of Awards, other than for normal estate settlement purposes or to a trust governed by a registered retirement savings plan, registered retirement income fund, tax free savings account, registered education savings plan or similar plan;
- (iv) any amendment increasing the maximum aggregate number of Shares that may be subject to issue at any given time in connection with Awards granted under the RSU Plan;
- (v) any amendment to these amendment provisions;
- (vi) the adoption of any option exchange involving an Award; and
- (vii) any other amendment required to be approved by shareholder under applicable law or rules of an Exchange.

To the extent of any conflict between subsection 10(b) and subsection 10(c) hereof, subsection 10(c) shall prevail.

11. Regulatory Approval

Notwithstanding anything herein to the contrary, the Issuer shall not be obligated to cause to be issued any Shares or cause to be issued and delivered any certificates evidencing Shares pursuant to the RSU Plan, unless and until the Issuer is advised by its legal counsel that the issue and delivery of the Shares and such Share certificates is in compliance with all applicable laws, regulations, rules, orders of governmental or regulatory authorities in Canada, the United States and any other applicable jurisdiction, and the requirements of the Exchange. The Issuer shall in no event be obligated to take any action in order to cause the issue or delivery of Shares or such certificates to comply with any such laws, regulations, and delivery of such Shares or certificates and in order to ensure compliance with such laws, regulations, rules, orders and requirements, that the Participant, or any permitted transferee of the Participant under section 7 hereof or, after his or her death, the Participant's estate, as described in section 7 hereof, make such covenants, agreements and representations as the Granting Authority deems necessary or desirable.

12. No Additional Rights

No Person shall have any claim or right to be granted Awards under the RSU Plan, and the grant of any Awards under the RSU Plan shall not be construed as giving a Participant any right to continue in the employment of the Issuer or affect

the right of the Issuer to terminate the employment of a Participant. Unless otherwise determined by the Granting Authority, neither any period of notice, if any, nor any payment in lieu thereof, upon Termination shall be considered as extending the period of employment for the purposes of the RSU Plan.

13. Miscellaneous Provisions

- (a) **Shareholder Rights.** A Participant shall not have the right or be entitled to exercise any voting rights, receive any dividends or have or be entitled to any other rights as a shareholder in respect of Shares subject to an Award unless and until such Shares have been paid for in full and issued and certificates therefor have been issued to the Participant. A Participant entitled to Shares as result of the settlement of a Restricted Share Unit shall not be deemed for any purpose to be, or have any such rights as a shareholder of the Issuer by virtue of such exercise or settlement, except to the extent a Share certificate is issued therefor and then only from the date such certificate is issued. No adjustment shall be made for dividends or distributions or other rights for which the record date is prior to the date such Share certificate is issued.
- (b) **Withholding.** The Issuer or any Affiliate may withhold from any amount payable to a Participant, either under this RSU Plan or otherwise, such amount as may be necessary so as to ensure that the Issuer or any Affiliate will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or that any other required deductions are paid or otherwise satisfied, at the minimum statutory rate. Subject to the other provisions of the RSU Plan, the Issuer shall also have the right in its discretion to satisfy any such liability for withholding or other required deduction amounts by retaining or acquiring any Shares, or retaining any amount payable, which would otherwise be issued or delivered, provided or paid to a Participant hereunder. The Issuer may require a Participant, as a condition to the settlement of a Restricted Share Unit, to pay or reimburse the Issuer for any such withholding (at the minimum statutory rate) or other required deduction amounts related to the settlement of Restricted Share Units.
- (c) **Governing Law.** The RSU Plan, all instruments of grant evidencing Awards granted hereunder and any other agreements or other documents relating to the RSU Plan shall be interpreted and construed in accordance with the laws of British Columbia (and the federal laws having application therein), except to the extent the terms of the RSU Plan, any supplement to the RSU Plan, or the Award in question expressly provides for application of the laws of another jurisdiction. The Granting Authority may provide that any dispute as to any Award shall be presented and determined in such forum as the Granting Authority may specify, including through binding arbitration. Any reference in the RSU Plan, in any instruments of grant evidencing Awards granted hereunder or in any other agreement or document relating to the RSU Plan to a provision of law or to a rule or regulation shall be deemed to include any successor law, rule or regulation of similar effect or applicability.
- (d) **Compliance with Securities Laws.** The obligation of the Issuer to issue and deliver Shares in accordance with the RSU Plan is subject to applicable securities legislation and to the receipt of any approvals that may be required from any regulatory authority or stock exchange having jurisdiction over the securities of the Issuer. If Shares cannot be issued to a Participant upon the exercise of an Award for any reason whatsoever, the obligation of the Issuer to issue such Shares shall terminate and any funds paid to the Issuer in connection with the exercise of such Award will be returned to the relevant Participant as soon as practicable.
- (e) **Compliance with Laws of Other Jurisdictions.** Awards may be granted to Participants who are citizens or residents of a jurisdiction other than Canada or the United States on such terms and conditions different from those under the RSU Plan as may be determined by the Granting Authority to be necessary or advisable to achieve the purposes of the RSU Plan while also complying with applicable local laws, customs and tax practices, including any such terms and conditions as may be set forth in any supplement to the RSU Plan intended to govern the terms of any such Award. In no event shall the eligibility, grant, exercise or settlement of an Award constitute a term of employment, or entitlement with respect to employment, of any employee.
- (f) **Funding.** Except as would not result in adverse tax consequences to a Participant, no provision of the RSU Plan shall require or permit the Issuer, for the purpose of satisfying any obligations under the RSU Plan, to purchase assets or place any assets in a trust or other entity to which contributions are made or otherwise to segregate any assets, nor shall the Issuer maintain separate bank accounts, books, records or other evidence

of the existence of a segregated or separately maintained or administered fund for such purposes. Participants shall have no rights under the RSU Plan other than as unsecured general creditors of the Issuer, except that insofar as they may have become entitled to payment of additional compensation by performance of services, they shall have the same rights as other Eligible Persons under general law.

- (g) **No Guarantee of Tax Consequences.** Neither the Board, nor the Issuer nor the Granting Authority makes any commitment or guarantee that any specific tax treatment will apply or be available to any Person participating or eligible to participate hereunder.

14. **Effective Date and Term of RSU Plan**

- (a) **Effective Date of the Plan.** The RSU Plan shall initially become effective on the Shareholder Approval Date, and any subsequent amendments to the RSU Plan, shall become effective upon their adoption by the Board, subject to approval by the shareholders of the Issuer at the next annual meeting of shareholders of the Issuer or any adjournment thereof, to the extent required. The effective date of this RSU Plan, as so amended, shall be the date of approval by the shareholders of the Issuer. If the shareholders do not approve the RSU Plan, or any amendments to the RSU Plan requiring shareholder approval, the RSU Plan or such amendments shall not be effective, and any and all actions taken prior thereto under the amendments effected hereby, including the making of any Awards subject to such approval being obtained, shall be null and void or shall, if necessary, be deemed to have been fully rescinded.
- (b) **Effect on Existing Awards.** Subject to subsection 14(a) hereof, all new Awards granted on or after the effective date of the amendments as provided in subsection 14(a) hereof are granted under and subject to the terms of this RSU Plan as amended and restated and shall continue to be governed by the terms of such RSU Plan and to the terms of their individual granting instruments as in effect from time to time including provisions concerning change of control or other related events.
- (c) **Termination.** The Board may suspend or terminate the RSU Plan at any time, provided that such suspension or termination shall not affect any Awards that became effective pursuant to the RSU Plan prior to such termination or suspension.

SCHEDULE A

RESTRICTED SHARE UNIT AGREEMENT

[All Awards issued to Insiders must include the following legend:

Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this agreement and the shares issuable upon the vesting thereof may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [insert the date that is four months and one day after the Grant Date of the Award].

THIS RESTRICTED SHARE UNIT AGREEMENT (the "**Agreement**") is made as of the ● day of ●, ●.

B E T W E E N :

Phoenix Gold Resources Corp.

(herein called the "Issuer")

- and -

●

(herein called the "Grantee")

This Agreement is made pursuant to the terms and conditions of the Issuer's Restricted Share Unit Compensation Plan (in effect from time to time, the "**RSU Plan**"), which is incorporated by reference herein. The Grantee accepts the terms and conditions of the RSU Plan and all rules and procedures adopted thereunder, as amended from time to time. In the event of any inconsistency between the terms of this Agreement and the terms of the RSU Plan, the terms of the RSU Plan shall prevail. Certain terms with initial capital letters used in this Agreement have the meanings set out in the RSU Plan.

Each RSU (as defined below) granted to the Grantee hereunder represents a right of the Grantee to receive one common share of the Issuer as presently constituted (each a "**Share**") on the terms set out herein.

The Issuer has granted to the Grantee, as of the Grant Date set out in exhibit 1 attached hereto, that number of restricted share units (the "**RSUs**") equal to the number of RSUs set out in exhibit 1 attached hereto, upon the terms and conditions set out in this Agreement, including the following:

Restricted Share Units. Each RSU granted to the Grantee hereunder represents a right of the Grantee to receive one Share on the date the said RSU vests.

Grantee's Notional Account. The Issuer shall maintain in its books a notional account for the Grantee (the "**Grantee's Account**") recording the number of RSUs granted to the Grantee and the number of RSUs that have Vested. Upon payment in satisfaction of vested RSUs through the issue of Shares from treasury, such Vested RSUs shall be cancelled.

Vesting. Subject to the earlier vesting provisions set out herein, the RSUs granted by the Issuer to the Grantee as set out on exhibit 1 attached hereto shall vest in accordance with the vesting provisions set out on exhibit 1 attached hereto (provided that in no event will the Grantee become entitled to acquire a fraction of a Share).

Notwithstanding the vesting provisions above, in the event of a Change of Control while the Grantee is employed by the Issuer or a wholly owned subsidiary of the Issuer or in the event that the Grantee terminates employment with the Issuer and its Subsidiaries by reason of Eligible Retirement, death or total Disability (as determined by the Committee in good faith) (each an "Accelerated Vesting Event"), the non-vested RSUs will:

- (i) in the case of a Change of Control, Eligible Retirement or death being the Accelerated Vesting Event, immediately become 100% vested, or
- (ii) in the case of total Disability being the Accelerated Vesting Event, vest on the 60th day following the Grantee's termination.

If the Grantee terminates employment with the Issuer and its Subsidiaries for any reason other than such Eligible Retirement, total Disability or death or termination without cause, any non-vested RSUs granted hereunder will be immediately cancelled without liability or compensation therefor and be of no further force and effect. For clarity, where the Grantee voluntarily terminates his/her employment with the Issuer or is otherwise terminated by the Issuer for cause, all non-Vested RSUs of the Grantee shall be immediately cancelled without compensation or liability therefor and be of no further force and effect.

In no event will the Grantee become entitled to acquire a fraction of a Share.

Settlement of Vested RSUs. Payment to the Grantee in respect of Vested RSUs will be made in the form of Shares only and will be evidenced by book entry registration or by a certificate registered in the name of the Grantee as soon as practicable following the date on which the RSUs become Vested; provided that the settlement date shall not be later than the third anniversary of the Grant Date and all payments in respect of Vested RSUs in the Grantee's Account shall be paid in full on or before December 31 of the same calendar year.

No Shareholder Rights. The Grantee will have none of the rights of a shareholder of the Issuer with respect to any Shares underlying the RSUs, including the right to vote such shares and receive any dividends that may be paid thereon, until such time, if any, that the Grantee has been determined to be a shareholder of record by the Issuer's transfer agent or one or more certificates of Shares are delivered to the Grantee in settlement thereof. Further, nothing herein will confer upon the Grantee any right to remain in the employ of the Issuer or its Subsidiaries.

RSUs Non-Transferable. RSUs are non-transferable (except to a Grantee's estate as contemplated under this Agreement).

No Other Benefit. No amount will be paid to, or in respect of, the Grantee under the RSU Plan to compensate for a downward fluctuation in the value of the Shares, nor will any other form of benefit be conferred upon, or in respect of, the Grantee for such purpose.

The Issuer makes no representations or warranties to the Grantee with respect to the RSU Plan or the RSUs whatsoever. The Grantee is expressly advised that the value of the RSUs in the RSU Plan will fluctuate as the value of Shares fluctuates.

In seeking the benefits of participation in the RSU Plan, the Grantee agrees to exclusively accept all risks associated with a decline in the value of Shares and all other risks associated with participation in the RSU Plan.

Withholding Tax. As set out in section 13 of the RSU Plan, if the Issuer determines that under the requirements of applicable tax laws the Issuer is obligated to withhold for remittance to any taxing authority any amount, the Issuer may require the Grantee to pay to the Issuer, such amount as the Issuer is obliged to remit in connection with the issue of the Shares as set out in section 13 of the RSU Plan.

Income Taxes: The Grantee acknowledges that he/she will be liable for income tax relating to grants and dispositions of RSUs. The Grantee hereby acknowledges that the Issuer is making no representation to him/her regarding taxes applicable to the Grantee and the Grantee will confirm the tax treatment with his/her own tax advisor.

No Inducement. By executing a copy of this Agreement, the Grantee hereby accepts the grant of RSUs and hereby confirms and acknowledges that his or her participation in the RSU Plan is voluntary and that he or she has not been induced to enter into this Agreement or participate in RSU Plan by expectation of employment or continued employment with the Issuer.

Reorganization. The existence of any RSUs shall not affect in any way the right or power of the Issuer or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Issuer's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Issuer or to create or issue any bonds, debentures, shares or other securities of the Issuer or the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Issuer or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

Binding Effect. This Agreement shall enure to the benefit of and be binding upon the Issuer and the Grantee and each of their respective heirs, executors, administrators, successors and Permitted Assigns.

Unfunded and Unsecured RSU Plan. Unless otherwise determined by the Board, this Agreement and the RSU Plan shall be unfunded and the Issuer will not secure its obligations under this Agreement or the RSU Plan. To the extent any Grantee or his or her estate holds any rights by virtue of a grant of RSUs under this Agreement, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Issuer.

Governing Law. This Agreement shall be governed by, and interpreted in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein, without regard to principles of conflict of laws.

Effective Date. The effective date of this Agreement shall be the Grant Date.

Severability. The invalidity or unenforceability of any provision of the RSU Plan or Agreement shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from this Agreement.

PHOENIX GOLD RESOURCES CORP.

Name:
Title:
Date:

GRANTEE

Signature of Grantee
Name:
Title:
Date:

EXHIBIT 1 to SCHEDULE "A" of PHOENIX GOLD RESOURCES CORP.

RESTRICTED SHARE UNIT COMPENSATION PLAN

NOTICE OF RESTRICTED SHARE UNITS GRANTED

Grantee: _____

Address: _____

You have been granted Restricted Share Units of Phoenix Gold Resources Corp. (the "Issuer"), as follows:

Grant Date: _____

Number of Restricted Share Units: _____

Starting Value of Restricted Share Unit Grant: _____

Vesting Schedule: _____

By your signature and the signature of the Issuer's representative below, you and the Issuer agree that this Restricted Share Unit Grant is granted under and governed by the terms and conditions of the Issuer's Restricted Share Unit Compensation Plan, as amended from time to time.

PHOENIX GOLD RESOURCES CORP.

Name:

Title:

Date:

GRANTEE

Signature of Grantee

Name:

Title:

Date:

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