

# **TAURUS GOLD CORP.**

**MANAGEMENT INFORMATION CIRCULAR**

**WITH RESPECT TO**

**THE ANNUAL GENERAL AND SPECIAL MEETING  
OF SHAREHOLDERS OF TAURUS GOLD CORP.**

**TO BE HELD ON JANUARY 8, 2024**

**DATED NOVEMBER 29, 2023**

*This management information circular and the accompanying materials require your immediate attention. If you are in doubt as to how to deal with these documents or the matters to which they refer, please consult your financial, legal, tax or other professional advisor.*

# TAURUS GOLD CORP.

## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON JANUARY 8, 2024

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares ("**Common Shares**") of Taurus Gold Corp. ("**Taurus**" or the "**Corporation**") will be held at CAS Corporate Governance Services Inc., Suite 600, 815 – 8<sup>th</sup> Avenue S.W., Calgary, Alberta, at 11:00 am (Calgary time) on January 8, 2024, for the following purposes:

1. to receive and consider the financial statements of the Corporation for the year ended July 31, 2023;
2. to fix the number of directors to be elected at the Meeting at four (4);
3. to elect the directors of the Corporation to serve until the next annual meeting of Shareholders or until their successors are elected or appointed;
4. to appoint the auditor of the Corporation until the next annual meeting of Shareholders and to authorize the directors to fix the remuneration thereof;
5. to consider, and, if deemed advisable, to pass, with or without variation, an ordinary resolution, the full text of which is set forth in the accompanying management information circular dated November 29, 2023 (the "**Information Circular**"), reapproving the option plan of the Corporation and approving all unallocated stock options under the option plan; and
6. to transact any other business as may properly be brought before the Meeting or any adjournment(s) or postponement thereof.

The details of all matters proposed to be put before the Shareholders at the Meeting are set forth in the Information Circular accompanying this Notice of Annual General and Special Meeting.

The record date for determination of the Shareholders entitled to receive notice of and to vote at the Meeting is November 27, 2023 (the "**Record Date**").

**Shareholders of the Corporation may attend the Meeting in person or may be represented by a proxyholder. Shareholders are asked to date, sign and return the accompanying form of proxy and to mail it to or deposit it C/O: Endeavor Trust Corporation, 702 – 777 Hornby Street, Vancouver, BC, V6Z 1S4, or fax to (604) 559-8908, or email to [proxy@endeavortrust.com](mailto:proxy@endeavortrust.com) or online at [www.eproxy.ca](http://www.eproxy.ca) not less than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for the Meeting or any adjournment of the Meeting. If you vote by FAX or EMAIL, please DO NOT mail back the form of proxy.**

The form of proxy confers discretionary authority with respect to: (i) amendments or variations to the matters of business to be considered at the Meeting; and (ii) other matters that may properly come before the Meeting. As of the date hereof, management of the Corporation knows of no amendments, variations or other matters to come before the Meeting other than the matters set forth in this Notice of Annual General and Special Meeting. Shareholders who are planning on returning the accompanying form of proxy are encouraged to review the Information Circular carefully before submitting the proxy form.

**DATED** as of the 29<sup>th</sup> day of November, 2023.

BY ORDER OF THE BOARD OF DIRECTORS  
OF TAURUS GOLD CORP.

Per: (signed) "Frank Lagiglia"  
Frank Lagiglia  
Chief Executive Officer and Director

# TAURUS GOLD CORP.

## ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON JANUARY 8, 2024

### MANAGEMENT INFORMATION CIRCULAR

#### GENERAL

This management information circular (the "**Information Circular**") is furnished to holders ("**Shareholders**") of common shares ("**Common Shares**") of Taurus Gold Corp. (the "**Corporation**" or "**Taurus**") in connection with the solicitation of proxies by the management of the Corporation for use at the annual general and special meeting (the "**Meeting**") of Shareholders to be held at CAS Corporate Governance Services Inc., Suite 600, 815 – 8<sup>th</sup> Avenue S.W., Calgary, Alberta, at 11:00 am (Calgary time) on January 8, 2024, and at any adjournment or postponement thereof, for the purposes set forth in the accompanying Notice of Annual General and Special Meeting (the "**Notice of Meeting**").

The information contained herein is given as of November 29, 2023, except where otherwise indicated. Enclosed herewith is a form of proxy for use at the Meeting.

Shareholders should not construe the contents of this Information Circular as legal, tax or financial advice and should consult with their own professional advisors in considering the relevant legal, tax, financial or other matters contained in this Information Circular.

**This solicitation is made on behalf of the management of the Corporation.** The costs incurred in the preparation of both the form of proxy and this Information Circular will be borne by the Corporation. In addition to the use of mail, proxies may be solicited by personal interviews, personal delivery, telephone or any form of electronic communication or by directors, officers and employees of the Corporation who will not be directly compensated therefor.

As Shareholder participation at the Meeting is important, the Corporation encourages Shareholders to exercise their right to vote prior to the Meeting by following the instructions set out in the form of proxy received by shareholders. **If registered Shareholders and duly appointed proxyholders wish to attend the Meeting in person they are asked to advise the Corporation of their attendance at least 48 hours in advance of the Meeting.** Subject to the Corporation's bylaws, attendance in person at the Meeting will be restricted to essential personnel and registered Shareholders and duly appointed proxyholders entitled to attend and vote at the Meeting; no external guests will be allowed to attend. **The Meeting will be held for the sole purpose of the matters to be acted upon at the Meeting and no corporate update or investor presentation will be provided.**

#### PROXY RELATED INFORMATION

##### Appointment and Revocation of Proxies

Those Shareholders desiring to be represented at the Meeting by proxy must complete and deposit their proper form of proxy to Endeavor Trust Corporation, 702 – 777 Hornby Street, Vancouver, BC, V6Z 1S4, or fax to (604) 559-8908, or email to proxy@endeavortrust.com not less than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for the Meeting or any adjournment of the Meeting. A proxy must be executed by the Shareholder or by his duly appointed attorney authorized in writing, or if the Shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized. A proxy is valid only at the Meeting in respect of which it is given or any adjournment or postponement of the Meeting. If you vote by FAX or EMAIL, please DO NOT mail back the form of proxy.

**The Corporation may refuse to recognize any instrument of proxy received later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in Alberta) prior to the Meeting or any adjournment or postponement thereof.**

The person named in the enclosed form of proxy is the officer and director of the Corporation and is the management designee (the "Management Designees"). The Management Designee will vote in favour of the matters specified in the Notice of Meeting and all other matters proposed by management at the Meeting. Each Shareholder submitting a proxy has the right to appoint a person, who need not be a Shareholder, to represent him/her or it at the Meeting other than the Management Designee. A Shareholder may exercise this right by inserting the name of the desired representative in the blank space provided in the form of proxy or by completing another form of proxy and, in either case, depositing the completed proxy to Endeavor Trust Corporation, 702 – 777 Hornby Street, Vancouver, BC, V6Z 1S4, or fax to (604) 559-8908, or email to [proxy@endeavortrust.com](mailto:proxy@endeavortrust.com) or online at [www.eproxy.ca](http://www.eproxy.ca) within the time specified above for the deposit of proxies.

#### Revocability of Proxy

A Shareholder who has given a proxy has the power to revoke it at any time prior to the exercise thereof. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing signed by the Shareholder or by the Shareholder's attorney authorized in writing, and either delivered to Endeavor Trust Corporation at the place specified above at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof, or deposited with the Chair of the Meeting prior to the commencement of the Meeting or any adjournment or postponement thereof.

#### Exercise of Discretion with Respect to Proxies

The Common Shares represented by the enclosed proxy will be voted or withheld from voting on any motion, by ballot or otherwise, in accordance with any indicated instructions. **In the absence of any such direction, such shares will be voted IN FAVOUR of the matters set forth in the Notice of Meeting and in this Information Circular.**

If any amendment or variation to matters identified in the Notice of Meeting is proposed at the Meeting or any adjournment or postponement thereof, or if any other matters properly come before the Meeting or any adjournment or postponement thereof, the enclosed proxy confers discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the appointed proxyholder. As at the date of this Information Circular, the management of the Corporation is not aware of any amendments or variations or other matters to come before the Meeting.

### VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

#### Voting Rights

The authorized share capital of the Corporation consists of an unlimited number of Common Shares without nominal or par value and an unlimited number of preferred shares ("**Preferred Shares**"), issuable in series, without nominal or par value. As at Record Date, there are 36,797,870 Common Shares issued and outstanding and no Preferred Shares issued and outstanding. Shareholders as of the Record Date (as defined herein) are entitled to receive notice of and attend and vote at the Meeting.

**Each Shareholder will be entitled to one vote at the Meeting for each Common Share held by them on the Record Date.**

#### Record Date

The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting or any adjournment or postponement thereof is November 27, 2023 (the "**Record Date**").

Only Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting. **To the extent a Shareholder transfers the ownership of any of its Common Shares after the Record Date and the transferee of those Common Shares establishes that it owns such Common Shares and requests, at least ten days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, such transferee shall be entitled to vote such Common Shares at the Meeting.**

## Principal Holders of Common Shares

To the best of the knowledge of the director and executive officer of the Corporation, no person or company, other than those listed below, beneficially owns, or controls or directs, directly or indirectly, 10% or more of the voting rights attached to all the issued and outstanding Common Shares as at the date of this Information Circular.

Name of Shareholder	Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly	Percentage of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly <sup>(1)</sup>
1011308 BC Ltd.	7,500,000 Common Shares	20.38%
Robert Sim	3,445,834 <sup>(2)</sup>	9.36%

### Notes:

- (1) Percentage of Common Shares beneficially owned is calculated based on an aggregate of 36,797,870 Common Shares outstanding as of the Record Date.
- (2) These shares are owned of record and beneficially, other than 2,300,000 Common Shares which are owned of record by Robert Sim's spouse.

## Quorum

Under the by-laws of the Corporation, a quorum for the transaction of business is present at a meeting if at least one (1) person is present in person, being a Shareholder entitled to vote at the meeting or a duly appointed proxy or representative for an absent Shareholder entitled to vote at the meeting, who holds or represents by proxy in the aggregate not less than 10% of the outstanding shares of the Corporation entitled to vote at the Meeting.

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

Except as otherwise disclosed in this Information Circular, no person who has been a director or executive officer of the Corporation at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

## MATTERS TO BE CONSIDERED AT THE MEETING

To the knowledge of the board of directors of the Corporation (the "**Board**"), the only matters to be brought before the Meeting are those matters set forth in the Notice of Meeting.

### 1. Presentation of Financial Statements

The Board has approved all the information in the audited consolidated financial statements of the Corporation for the year ended July 31, 2023 and the report of the auditor thereon (the "**Financial Statements**"). The Financial Statements have been emailed and/or mailed to the registered holders of the Corporation's Common Shares and copies are available upon request by emailing [john@cascorp.ca](mailto:john@cascorp.ca). No formal action is required or proposed to be taken at the Meeting with respect to the Financial Statements.

### 2. Fixing the Number of Directors

The Board presently consists of four (4) directors, all of whom are standing for re-election. At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, with or without modification, to approve an ordinary resolution fixing the number of directors to be elected until the next annual meeting of Shareholders, subject to the articles of the Corporation relating to subsequent appointments, at four (4).

**Unless otherwise directed, it is the intention of the persons designated in the accompanying form of proxy to vote IN FAVOUR of the ordinary resolution fixing the number of directors to be elected at the Meeting at four (4).** In order to be effective, the ordinary resolution must be approved by not less than a majority of the votes cast thereon by Shareholders who are present in person or by proxy at the Meeting.

### 3. Election of Directors

At the Meeting, Shareholders will be asked to elect the four (4) nominees of Taurus set forth in the table below (the "Nominees") as directors of the Corporation to hold office until the next annual meeting of Shareholders or until their successors are duly elected or appointed.

The following table identifies the individuals proposed to be nominated for election as directors of Taurus at the Meeting, all other positions and offices within Taurus now held by them, their principal occupations or employments, the periods during which they have served as directors of Taurus (or its immediate predecessors) and the approximate number of Common Shares beneficially owned by each of them, or over which they exercised control or direction (directly or indirectly), as at Record Date. The information contained herein is based upon information furnished by the respective nominees.

Name and Province or State and Country of Residence	Director Since	Principal Occupation for Past Five Years	Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly as at Record Date
Trevor Harding <sup>(1)</sup> <i>Alberta, Canada</i>	December 19, 2019	Chief Executive Officer of the Corporation from December 29, 2021 to September 1, 2023. Senior advisor of business development, sales and indigenous relations of Redrock Camps and Group of Companies, a food and shelter services provider, since 2014. Mr. Harding previously held the position as vice-president business development and a managing partner of Zero Gravity Group of Companies from 2000 to 2013.	666,666 (1.81%)
Frank Lagiglia <i>British Columbia, Canada</i>	September 1, 2023	Chief Executive officer of the Corporation since September 1, 2023. Prior thereto, Corporate Development for the Metals Group from September 2018 to September 1, 2023.	57,800 (>1%)
Michael Rapsch <sup>(1)</sup> <i>British Columbia, Canada</i>	December 19, 2019	President of Cologne Communications Corporation since January 01, 2019, a full-service corporate communications, public relations and investor relations consulting and advisory firm for publicly listed resource companies. Mr. Rapsch previously held the position of vice president corporate communications of SilverCrest Metals Inc. from 2015 to 2018.	Nil
Lori Walton <sup>(1)</sup> <i>Alberta, Canada</i>	December 19, 2019	Chief Executive Officer of the Corporation from January 27, 2020 until December 23, 2021. Ms. Walton provides independent mineral resource management and technical consulting services to public and private companies, associations, and governments. Provided resource policy expertise for Alberta Energy, Government of Alberta from 2013 until 2018.	300,000 (>1%)

**Notes:**

(1) Member of the Audit Committee. Mr. Harding is the Chair of the Audit Committee.

**Unless otherwise directed, it is the intention of the persons named in the enclosed form of proxy to vote proxies IN FAVOUR of the election of the Nominees as directors of the Corporation.** In order to be effective, the ordinary resolution in respect of the election of each nominee director must be approved by not less than a majority of the votes cast thereon by Shareholders who are present in person or by proxy at the Meeting.

*Cease Trade Orders*

Other than as otherwise disclosed herein and below, to the knowledge of the Corporation, none of the Nominees (or any personal holding company of a Nominee) are, as at the date of this Information Circular, and have not been within

ten (10) years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, while acting in that capacity, was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, or after ceasing to be a director, chief executive officer or chief financial officer of the company, was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, which resulted from an event that occurred while acting in such capacity.

On June 19, 2020, the British Columbia Securities Commission ("**BCSC**") issued a cease trade order respecting Champignon Brands Inc. ("**Champignon**") pursuant to section 164(1) of the *Securities Act* (British Columbia). Stephen Brohman, the Corporation's CFO was the Chief Financial Officer of Champignon. Champignon failed to file business acquisition reports related to its recent significant acquisitions of Artisan Growers Ltd., Novo Formulations Ltd. and Tassili Life Sciences Corp., as required by Part 8 of National Instrument 51- 102 - *Continuous Disclosure Obligations*. The cease trade order was revoked on August 26, 2020. On August 26, 2020, the BCSC issued a cease trade order respecting Champignon to section 164(1) of the *Securities Act* (British Columbia). Champignon failed to file the disclosure required by section 14.2 of Form 31-102F5 Information Circular for the restructuring transaction between Champignon and AltMed Capital Corp. as required by Part 8 of National Instrument 51-102 - *Continuous Disclosure Obligations*. As of the date of this Information Circular, the cease trade order respecting Champignon was revoked.

#### *Bankruptcies*

To the knowledge of the Corporation, none of the Nominees are, and have not within the past 10 years been, a director or executive officer of any company, including the Corporation, that, while acting in such capacity, or within a year of ceasing to act in such 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 has, within the past 10 years, 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 his or her assets.

#### *Penalties and Sanctions*

To the knowledge of the Corporation, none of the Nominees (or any personal holding company of a Nominee) have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority nor entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in deciding whether to vote for a proposed director.

#### **4. Appointment of Auditors**

At the Meeting, the Shareholders will be asked to approve by ordinary resolution the appointment of Davidson & Company LLP, Chartered Professional Accountants ("**Davidson**") to serve as auditor of the Corporation until the close of the next annual meeting of Shareholders and to authorize the Board to fix their remuneration. Should Davidson for any reason be unwilling or unable to accept re-appointment, the Board will exercise their discretion to appoint an alternate auditor. Davidson was appointed as the Corporation's auditors on January 5, 2021.

**Unless otherwise directed to the contrary, it is the intention of the persons named in the enclosed form of proxy to vote proxies IN FAVOUR of the appointment of Davidson & Company LLP, Chartered Professional Accountants as auditors of the Corporation at remuneration to be fixed by the Board.** In order to be effective, the ordinary resolution must be approved by not less than a majority of the votes cast thereon by Shareholders who are present in person or by proxy at the Meeting.

#### **5. Reapproval of Stock Option Plan and Approval of Unallocated Options Under the Stock Option Plan**

At the Meeting, Shareholders will be asked to consider, and, if deemed advisable, to approve, with or without variation, an ordinary resolution reapproving the stock option plan of the Corporation (the "**Stock Option Plan**") and approving

the unallocated Options under the Stock Option Plan as described below. Pursuant to the Canadian Securities Exchange (the “CSE”), within three years after institution and within every three years thereafter, a listed issuer must obtain security holder approval for an evergreen plan (also known as a rolling plan) to continue to grant awards. The Stock Option Plan was last approved by the Shareholders on July 13, 2023.

The Stock Option Plan provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation, or any subsidiary of the Corporation, the option to purchase Common Shares. The purpose of this Stock Option Plan is to provide an incentive to the directors, officers, employees, consultants and other personnel of the Corporation or any of its subsidiaries to achieve the longer-term objectives of the Corporation; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and to attract to and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

The number of Common Shares issuable upon the exercise of options granted under the Stock Option Plan at any time may not exceed 10% of the total number of issued and outstanding Common Shares (on a non-diluted basis) and the aggregate number of Common Shares issuable to any one individual may not exceed 5% of the total number of issued and outstanding Common Shares. The period during which an option granted under the Stock Option Plan is exercisable may not exceed ten years from the date such option is granted. All options are non-assignable and non-transferrable. The price which the Common Shares may be acquired upon exercise of an option may not be less than the price permitted under the rules of any stock exchange on which the Common Shares are listed and the vesting provisions are determined by the Board at the time of grant.

If prior to the exercise of an option, the holder ceases to be a director, officer, employee or consultant of the Corporation for any reason other than death, the option may be exercised within the earlier of up to 90 days after such cessation or the expiry of the option, but only to the extent that the holder was entitled to exercise the option at the date of cessation. In the case of death of an optionee, the option may be exercised within the earlier of up to 12 months after such death or the expiry of the option, but only to the extent that the holder was entitled to exercise the option at the date of death. The full text of the Stock Option Plan is attached hereto as Schedule “B”.

The text of the resolution which management intends to place before the Meeting to reapprove the Stock Option Plan and approve the unallocated Options under the Stock Option Plan is as follows:

**“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. the stock option plan (the "**Stock Option Plan**") of the Corporation, in the form of the Stock Option Plan attached as Schedule "B" to the management information circular of the Corporation dated November 29, 2023, be and is hereby approved, ratified and confirmed, and that in connection therewith a maximum of 10% of the issued and outstanding Common Shares of the Corporation at the time of each grant be approved for granting as options;
2. the unallocated options issuable under the Stock Option Plan of the Corporation, as amended from time to time, be and are hereby approved;
3. the Corporation shall have the ability to continue granting Options under its Stock Option Plan until January 8, 2027, which is the date that is three (3) years from the date of the shareholder meeting at which shareholder approval is being sought; and
4. any one director or officer of the Corporation is authorized, on behalf of the Corporation, to execute and deliver all documents and do all things as such person may determine to be necessary or advisable to give effect to this resolution.”

**Unless otherwise directed to the contrary, it is the intention of the persons named in the enclosed form of proxy to vote proxies IN FAVOUR of the ordinary resolution reapproving the Stock Option Plan and approving the unallocated Options under the Stock Option Plan.** In order to be effective, the resolution must be approved by a simple majority of the votes cast thereon by Shareholders who are present in person or by proxy at the Meeting.



## 6. Other Business

Management is not aware of any other matters to come before the Meeting, other than those set out in the Notice of Meeting. **If other matters come before the Meeting, it is the intention of the management designees named in the instrument of proxy to vote in accordance with their best judgment in such matters.**

### STATEMENT OF EXECUTIVE COMPENSATION

The executive compensation discussion below discloses compensation paid to the following individuals:

- (a) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with Section 1.3(5) of Form 51-102F6V under National Instrument 51-102 – Continuous Disclosure Obligations, for that financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, as at the end of the most recently completed financial year,

(each, a "Named Executive Officer").

During the financial year ended July 31, 2023, the Corporation had two Named Executive Officers ("NEOs"), Trevor Harding, Chief Executive Officer (the "CEO") and Stephen Brohman, Chief Financial Officer (the "CFO"). Subsequent to the fiscal year ended July 31, 2023, and effective September 1, 2023, Mr. Harding resigned his position as CEO and Mr. Frank Lagiglia was appointed the Corporation's successor CEO.

### Compensation Discussion and Analysis

In assessing the compensation of its executive officers, the Corporation does not have in place any formal objectives, criteria or analysis; compensation payable is currently determined by the Board. The Corporation's executive compensation program is based on comparisons of similar type and size companies. Both individual and corporate performances are also taken into account.

The Corporation's directors have not established any peer group benchmark or performance goals to be achieved or met by the NEOs (as defined in National Instrument 51-102), however, such NEOs are expected to carry out their duties in an effective and efficient manner so as to advance the business objectives of the Corporation. The satisfactory discharge of such duties is subject to ongoing monitoring by the Corporation's directors.

Payments may be made from time to time to individuals or companies they control for the provision of consulting services. Such consulting services are paid for by the Corporation at competitive industry rates for work of a similar nature by reputable arm's length services providers.

### Compensation Objectives and Principles

As the Corporation is in an exploration and development phase with no significant revenue from operations, the Corporation operates with limited financial resources and controls costs to ensure that funds are available to complete scheduled programs. As a result, the Board has to consider not only the financial situation of the Corporation at the time of the determination of executive compensation, but also the estimated financial situation of the Corporation in

the mid- and long-term. An important element of executive compensation is that of stock options which does not require cash disbursement by the Corporation.

### Compensation Process

The Corporation will rely solely on its Board, without any formal objectives, criteria or analysis, in determining the compensation of its executive officers. The Board is responsible for determining all forms of compensation, including long-term incentives in the form of stock options to be granted to the Corporation's NEOs and directors, and for reviewing the recommendations respecting compensation for any other officers of the Corporation from time to time, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its officers, the Board considers: (i) recruiting and retaining executives critical to the success of the Corporation and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and the Corporation's shareholders; (iv) rewarding performance, both on an individual basis and with respect to operations in general; and (v) available financial resources.

### Named Executive Officers' Compensation

The following table sets forth all annual and long-term compensation for services paid to or earned by each Named Executive Officer and director for the two most recently completed financial years ended July 31, 2023 and July 31, 2022:

Table of Compensation Excluding Compensation Securities							
Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Lori Walton <sup>(1)(2)</sup> Chief Executive Officer (former) & Director	2023	\$7,621	Nil	Nil	Nil	Nil	\$7,621
	2022	\$20,250	Nil	Nil	Nil	Nil	\$20,250
Stephen Brohman Chief Financial Officer	2023	\$46,996	Nil	Nil	Nil	Nil	\$46,996
	2022	\$37,100	Nil	Nil	Nil	Nil	\$37,100
Trevor Harding <sup>(1)(2)(3)</sup> Chief Executive Officer & Director	2023	\$63,779	Nil	Nil	Nil	Nil	\$63,779
	2022	\$40,000	Nil	Nil	Nil	Nil	\$40,000
Paul F. Milelli Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (1) Appointed Officer of the Corporation on December 19, 2019. Ms. Walton resigned from the Office of Chief Executive Officer on December 29, 2021, and was replaced by Trevor Harding, who was appointed as Chief Executive Officer on the same date.
- (2) Ms. Walton and Mr. Harding did not receive any compensation for their role as director.
- (3) Subsequent to fiscal year ended July 31, 2023, Mr. Harding resigned from the Office of Chief Executive Officer on September 1, 2023, and was replaced by Mr. Frank Lagiglia.

### Stock Options and Other Compensation Securities

Stock options are granted to: (i) provide an incentive to the directors, officers, employees and consultants of the Corporation to achieve the longer-term objectives of the Corporation; (ii) to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and (iii) to attract and retain persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

The following table sets forth all compensation granted and issued to each Named Executive Officer and directors by the Corporation in the financial year ended July 31, 2023 for services provided or to be provided, directly or indirectly, to the Corporation.

Compensation Securities							
Name and Position	Type of compensation security <sup>(1)(2)</sup>	Number of compensation 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
Lori Walton Chief Executive Officer (former) & Director	Stock Options	400,000 (1.09%)	Sept/14/22	0.25	0.15	0.08	Sept/14/27
Stephen Brohman Chief Financial Officer	Stock Options	300,000 (0.82%)	Sept/14/22	0.25	0.15	0.08	Sept/14/27
Trevor Harding Chief Executive Officer & Director	Stock Options	300,000 (0.82%)	Dec/15/22	0.165	0.165	0.08	Dec/15/25
	Stock Options	700,000 (1.90%)	Sept/14/22	0.25	0.15	0.08	Sept/14/27
Paul F. Milelli Director	Stock Options	200,000 (0.54%)	Sept/14/22	0.25	0.15	0.08	Sept/14/27

**Notes:**

- (1) The total amount of compensation securities and underlying securities held by each Named Executive Officer or director as at Record Date is as follows:
- (a) Lori Walton – 400,000 stock options convertible into 400,000 Common Shares.
  - (b) Stephen Brohman – 300,000 stock options convertible into 300,000 Common Shares.
  - (c) Trevor Harding – 1,000,000 stock options convertible into 1,000,000 Common Shares.
  - (d) Paul F. Milelli – 200,000 stock options convertible into 200,000 Common Shares.

**Exercise of Compensation Securities by Directors and Named Executive Officers**

No compensation securities were exercised by any Named Executive Officer or director during the most recently completed financial year.

**Stock Option Plan and Other Incentive Plans**

That Corporation has adopted a 10% rolling Stock Option Plan which provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation, or any subsidiary of the Corporation, the option to purchase Common Shares. The purpose of this Stock Option Plan is to provide an incentive to the directors, officers, employees, consultants and other personnel of the Corporation or any of its subsidiaries to achieve the longer-term objectives of the Corporation; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and to attract to and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

The number of Common Shares issuable upon the exercise of options granted under the Stock Option Plan at any time may not exceed 10% of the total number of issued and outstanding Common Shares (on a non-diluted basis) and the aggregate number of Common Shares issuable to any one individual may not exceed 5% of the total number of issued and outstanding Common Shares. The period during which an option granted under the Stock Option Plan is

exercisable may not exceed ten years from the date such option is granted. All options are non-assignable and non-transferrable. The price which the Common Shares may be acquired upon exercise of an option may not be less than the price permitted under the rules of any stock exchange on which the Common Shares are listed and the vesting provisions are determined by the Board at the time of grant.

If prior to the exercise of an option, the holder ceases to be a director, officer, employee or consultant of the Corporation for any reason other than death, the option may be exercised within the earlier of up to 90 days after such cessation or the expiry of the option, but only to the extent that the holder was entitled to exercise the option at the date of cessation. In the case of death of an optionee, the option may be exercised within the earlier of up to 12 months after such death or the expiry of the option, but only to the extent that the holder was entitled to exercise the option at the date of death.

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

Other than the executive consulting agreements described below, the Corporation does not have any other compensation agreements or arrangements in place with respect to services provided by a NEO or director.

The Corporation has entered into a written consulting agreement with Donaldson Brohman Martin, CPA, Inc. ("DBM"), with respect to the provision of certain financial, administrative, and audit relative services, to be provided by Stephen Brohman in his role as the CFO of the Corporation. This agreement is for indefinite duration and provides that Mr. Brohman is to receive monthly compensation of \$3,000 per month, plus additional fees payable at agreed upon hourly rates for transactions and other matters outside of the scope of the agreement. Mr. Brohman is expected to devote 15% of his time to the affairs of the Corporation, or such other amount of time as is necessary to carry out his duties as CFO. Mr. Brohman has agreed to a confidentiality restriction during the term of his consulting agreement.

The Corporation entered into a written consulting agreement with Lori Walton dated February 1, 2020, for a term of six months, renewable automatically. Under this agreement, Ms. Walton provided management duties and services and the type generally assumed by the CEO. Under the terms of this agreement, Ms. Walton received compensation of \$4,500 per month. As a result of her resignation, Ms. Walton's contract terminated on December 23, 2021.

Mr. Harding was appointed to the office of CEO on December 23, 2021. During fiscal 2023, Mr. Harding received compensation of \$5,000 per month. The Corporation and Mr. Harding have not entered into a written consulting agreement. During fiscal year ended July 31, 2023, Mr. Harding devoted 25% of his time to the affairs of the Corporation to carry out his duties as CEO. Mr. Harding has not entered into an agreement pursuant to which he owes confidentiality obligations to the Corporation, however, it is expected that his consulting agreement will include such obligations.

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

Executive compensation is based upon the need to provide a compensation package that will allow the Corporation to attract and retain qualified and experienced executives, balanced with a pay-for-performance philosophy. Compensation for this fiscal year and prior fiscal years has historically been based upon a negotiated fee, with stock options and bonuses potentially being issued and paid as an incentive for performance. The Corporation's compensation policies and programs are designed to be competitive with similar mining companies and to recognize and reward executive performance consistent with the success of the Corporation's business. These policies and programs are intended to attract and retain capable and experienced people while complying with regulatory requirements. The Board's role and philosophy, among other things, are to ensure that the Corporation's compensation goals and objectives, as applied to the actual compensation paid to the Corporation's CEO and other executive officers, are aligned with the Corporation's overall business objectives and with shareholder interests.

The Board considers a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors include the long-range interests of the Corporation and its shareholders, the implications of the risks associated with the Corporation's compensation policies and practices in light of the financial performance of the Corporation, the overall financial and operating performance of the Corporation and the Board's assessment of each executive's individual performance and contribution toward meeting corporate objectives. Since last year's Meeting, the Board has not proceeded to a formal evaluation of the implications of the risks associated with the Corporation's compensation policies and practices. Risk management is a consideration of the Board when implementing its compensation program, and the Board does not believe that the Corporation's compensation

programme results in unnecessary or inappropriate risk-taking including risks that are likely to have a material adverse effect on the Corporation.

The Board reviews the compensation levels of the executive officers of the Corporation and the strategic objectives of the stock option and other stock-based compensation plans of the Corporation and considers any other matters which should be taken into account concerning the compensation levels of the Corporation's executive officers.

The duties and responsibilities of the CEO are typical of those of a business entity of the Corporation's size and in a similar business and include direct reporting responsibility to the Board, overseeing the activities of all other executive and management consultants, representing the Corporation, providing leadership and responsibility for achieving corporate goals and implementing corporate policies and initiatives.

The compensation of the Corporation's officers and directors is based on an incentive philosophy with the intent that all efforts will be directed toward a common objective of creating shareholder value. The compensation strategy is to attract and retain talent and experience with focused leadership in the operations, financing, and exploration asset management of the Corporation with the objective of maximizing the value of the Corporation. The officers and the Board each have defined skills and experience that are essential to the Corporation.

The incentive component of the Corporation's compensation program is the potential longer-term reward provided through the grant of stock options. The Stock Option Plan is intended to attract, retain and motivate officers and directors of the Corporation in key positions, and to align the interests of those individuals with those of the Corporation's shareholders. The Stock Option Plan provides such individuals with an opportunity to acquire a proprietary interest in the Corporation's value growth through the exercise of stock options. Options are granted at the discretion of the Board, which considers factors such as how other companies grant options and the potential value that each optionee is contributing to the Corporation. The number of options granted to an individual is based on such considerations. Stock options are granted at an exercise price of not less than the prevailing market price of the Corporation's Common Shares at the time of the grant.

The only arrangements the Corporation currently has pursuant to which directors are compensated by the Corporation for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial period or subsequently, are by the issuance of incentive stock options pursuant to the Stock Option Plan. The directors will not receive any cash remuneration for serving in their capacity as directors.

During the year ended July 31, 2023, the Company granted 1,900,000 stock options to its directors and NEOs.

### **Use of Financial Instruments**

The Corporation does not have a policy that would prohibit an NEO or director 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. However, management is not aware of any NEO or director purchasing such an instrument.

### **Termination of Employment, Change of Control Benefits and Employment Contracts**

There are no management or consulting agreements with any directors or officers of the Corporation that provide for payments to an officer or director, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in a director's or officer's responsibilities. With respect to the consulting agreements entered into with Stephen Brohman, the Corporation and Mr. Brohman are each entitled to terminate the agreement on three (3) months written notice.

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

The following table sets forth the Corporation's compensation plans under which equity securities are authorized for issuance as at the end of the most recently completed financial year.

<b>Plan Category</b>	<b>Number of Common Shares to be issued upon exercise of outstanding options (#)</b>	<b>Weighted-average exercise price of outstanding options (\$)</b>	<b>Number of Common Shares remaining for future issuance under equity compensation plans <sup>(1)</sup></b>
Equity compensation plans approved by the securityholders	1,925,000	0.24	1,754,784
Equity compensation plans not approved by the securityholders	Nil	N/A	Nil
Total	1,925,000	0.24	1,754,784

Notes:

- (1) This figure is based on the total number of shares authorized for issuance under the Corporation's Stock Option Plan (10% of 36,797,840 shares outstanding at July 31, 2023), less the number of stock options outstanding as at the Corporation's year ended July 31, 2023.

### **AUDIT COMMITTEE INFORMATION**

The Audit Committee of the Corporation oversees the retention, performance and compensation of the Corporation's independent auditors, and oversees and establishes procedures concerning systems of internal accounting and control. A copy of the charter of the Audit Committee of the Corporation has been appended as Schedule "A" hereto.

NI 52-110 requires the Corporation to disclose annually certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor, as set forth below.

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

The Corporation's Audit Committee is comprised of Lori Walton, Michael Rapsch and Trevor Harding (Chair). As defined in NI 52-110, Michael Rapsch is considered to be "independent". Lori Walton is not considered to be "independent" as a result of her role as CEO in the last three years and Trevor Harding is not considered to be "independent" as a result of his role as CEO of the Corporation.

Each member of the Audit Committee is also considered to be "financially literate" which includes the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues of the Corporation.

#### **Relevant Education and Experience**

The education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member, and in particular the education or experience that provides each member with: (i) an understanding of the accounting principles used by the Corporation to prepare its financial statements; (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions; (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements; and (iv) an understanding of internal controls and procedures for financial reporting, is as follows:

Lori Walton                      Ms. Walton is an independent consultant focused on providing executive management. She has been a director and executive officer of a number of public resource companies, and as a result, she is familiar with the financial reporting requirements applicable to public companies in Canada.

Michael Rapsch                      Mr. Rapsch has been providing corporate communications, corporate development and advisory services in the mining sector for the past 17 years. He has completed

undergraduate studies in Business & Administration in Germany. Furthermore, he has completed two years of accounting courses at BCIT and as a result, he is familiar with the financial reporting requirements applicable to public companies in Canada.

Trevor Harding

Mr. Harding provides strategic business development services and has extensive experience in mining and entrepreneurial capital acquisition, and as a result, he is familiar with the principals used in reading and preparing financial statements as well as audit processes and requirements.

### Pre-Approval Policies and Procedures

The Audit Committee shall pre-approve all non-audit services not prohibited by law to be provided by the independent auditors of the Corporation. The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

### Audit Fees

The following table sets forth the "audit fees," "audit-related fees," "tax fees," and "other fees" billed in the years ended July 31, 2023 and July 31, 2022.

	<u>Audit Fees</u> <u>(\$)</u>	<u>Audit Related Fees</u> <u>(\$)</u>	<u>Tax Fees (\$)</u>	<u>Other Fees</u> <u>(\$)</u>
For the year ended July 31, 2022 <sup>(1)</sup>	23,500	N/A	N/A	N/A
For the year ended July 31, 2023	23,305	N/A	N/A	N/A

**Note:**

(1) Includes review engagement fees for the quarter ended April 30, 2021, and fees related to the preparation of the amended and restated prospectus filed by the Corporation on September 10, 2021.

### Exemption

The Corporation is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Corporation, as a "venture issuer", is not required to comply with the restrictions on composition of its audit committee and the disclosure requirements of its Audit Committee in an annual information form as prescribed by NI 52-110.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 of the Canadian Securities Administrators has set out a series of guidelines for effective corporate governance (the "**Guidelines**"). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. NI 58-101 requires the disclosure by each listed corporation of its approach to corporate governance with reference to the Guidelines.

Set out below is a description of the Corporation's approach to corporate governance in relation to the Guidelines.

### Board of Directors

NI 58-101 defines an "independent director" as a director who has no direct or indirect material relationship with the Corporation. A "material relationship" is in turn defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with such member's independent judgement. The Board is currently comprised of four members, only one of which, Michael Rapsch, has been determined by the Corporation's Board to be an "independent director" within the meaning of NI 58-101.

Frank Lagiglia is not considered to be an independent director within the meaning of NI 58-101 by virtue of his service as CEO of the Corporation. Similarly, Mr. Harding and Ms. Walton are not considered to be independent directors of the Corporation by virtue of the fact that they were an executive officer of the Corporation (CEO), within the last three years.

Mr. Milelli is considered an independent director since he is independent of management and free from any material relationship with the Corporation. The basis for this determination is that, since the incorporation of the Corporation on March 26, 2019, Mr. Milelli has not worked for the Corporation, received remuneration from the Corporation or had material contracts with or material interests in the Corporation which could interfere with his ability to act with a view to the best interests of the Corporation.

### **Other Directorships**

None of the directors are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction, other than as follows:

<u>Director</u>	<u>Reporting Issuer</u>
Lori Walton	C2C Gold Corp. (formerly Taku Gold Corp.) (CSE)

### **Orientation and Continuing Education**

While the Corporation currently has no formal orientation and education program for new Board members, sufficient information (such as recent financial statements, prospectuses, proxy solicitation materials, technical reports and various other operating, property and budget reports) will be provided to any new Board member to ensure that new directors are familiarized with the Corporation's business and the procedures of the Board. In addition, new directors will be encouraged to visit and meet with management on a regular basis and are given the opportunity to meet with counsel to the Corporation to discuss their legal obligations. The Corporation will also encourage continuing education of its directors and officers where appropriate in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Corporation.

### **Ethical Business Conduct**

Given the small size of the board and stage of development of the Corporation, the Board has determined that the fiduciary obligations placed on directors pursuant to applicable corporate laws are effective in ensuring ethical business conduct on the part of its directors.

### **Nomination of Directors**

The Board performs the functions of a nominating committee with responsibility for the appointment and assessment of directors. The Board believes that this is a practical approach at this stage of the Corporation's development and given the relatively small size of the Board.

While there are no specific criteria for Board membership, the Corporation will attempt to attract and maintain directors with business knowledge and a particular knowledge of mineral exploration and development or other areas (such as finance) which provide knowledge which would assist in guiding the officers of the Corporation. As such, nominations will tend to be the result of recruitment efforts by management of the Corporation and discussions among the directors prior to the consideration of the Board as a whole.

### **Compensation of Directors and Executive Officers**

The Board is responsible for determining compensation payable to executive officers and directors. The Board has determined at this time not to establish a compensation committee. See "*Statement of Executive Compensation*".

### **Other Board Committees**

The Board does not currently have any committees other than the Audit Committee.

### **Assessments**

No formal policy has been established to monitor the effectiveness of directors. However, the Board will assess, on a periodic basis, the contributions of the Board as a whole and each of the individual directors, in order to determine whether each is functioning effectively.



## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer or employee of the Corporation, or any proposed Nominee, or any of their respective associates or affiliates, is or has been at any time since the beginning of the last completed fiscal year, indebted to the Corporation or any of its subsidiaries nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Corporation or any of its subsidiaries.

## INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth herein, the Corporation is not aware of any material interest, direct or indirect, of any "informed person" of the Corporation, any Nominee or any associate or affiliate of any of the foregoing in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation.

For the purposes of the above, "informed person" means: (a) a director or executive officer of the Corporation; (b) a director or executive officer of a company that is itself an informed person or subsidiary of the Corporation; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Corporation after having purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

## MANAGEMENT CONTRACTS

The Corporation has no management contracts or other arrangement in place where management functions are performed by a person or company other than the directors or executive officers of the Corporation.

## APPROVAL

The contents of this Information Circular and the sending thereof to the Shareholders have been approved by the directors of the Corporation.

**DATED** at Calgary, Alberta as of this 29<sup>th</sup> day of November, 2023.

BY ORDER OF THE BOARD OF DIRECTORS  
OF TAURUS GOLD CORP.

Per: (signed) "Frank Lagiglia"  
Frank Lagiglia  
Chief Executive Officer and Director

**SCHEDULE "A"**



**TAURUS GOLD CORP.  
Audit Committee Charter**

**ORGANIZATION**

An Audit Committee shall be appointed annually by the Board and shall consist of at least three (3) members from among the directors of the Corporation. Subject to the availability of applicable securities or corporate law exemptions, each Audit Committee member shall, where possible, be an independent director, free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee.

All Audit Committee members shall be sufficiently versed in financial matters to understand the Corporation's accounting practices and policies and the major judgments involved in preparing the financial statements.

The Board shall designate the Chair of the Committee.

**STATEMENT OF POLICY**

The Committee shall fulfill its responsibilities within the context of the following principles:

1. General

The Committee expects the management of the Corporation to operate in compliance with the laws and regulations governing the Corporation and to maintain strong financial, reporting and control processes.

2. Communications

The Committee shall have direct, open and frank communications throughout the year with management, other Committee Chairs, and the external auditors.

3. Meeting Agenda

Committee meeting agendas shall be the responsibility of the Chair of the Committee in consultation with the Committee members, management and the external auditors.

4. Information Needs

The Committee expects that written materials will be received from management and the external auditors at least five (5) days in advance of meeting dates.

5. In-Camera Meetings

At each meeting, the Committee shall meet in private session, if required, and may meet with the external auditors, with management, and with the Committee members only.

## 6. Reporting to the Board

The Committee, through its Chair, shall report after each Committee meeting to the Board, if required, at the Board's next regular meeting.

## 7. The External Auditors

The Committee expects that in discharging its responsibilities to the shareholders, the external auditors shall be accountable to the Board through the Audit Committee. The external auditors shall report all material issues or potentially material issues to the Committee.

## **OPERATING PROCEDURES**

1. The Committee shall meet at least four (4) times annually, or more frequently as circumstances dictate. Meetings shall be held at the call of the Chair upon the request of two (2) members of the Committee or at the request of the external auditors.
2. A quorum shall be a majority of the members.
3. Unless the Committee otherwise specifies, the Secretary of the Corporation shall act as Secretary at all meetings of the Committee.
4. In the absence of the Chair of the Committee, the members shall appoint an acting Chair.
5. A copy of the minutes of the prior meeting of the Committee shall be provided to each member of the Committee prior to each meeting.

## **RESPONSIBILITIES & DUTIES**

To fulfill its responsibilities and duties, the Committee shall:

### ***Financial Reporting***

1. Review the Corporation's annual and quarterly financial statements with management and, in the case of the annual financial statements, also with the external auditors, to gain reasonable assurance that the statements are accurate, complete and in accordance with International Financial Reporting Standards (IFRS). The Committee shall report upon the annual financial statements to the Board before the Board approves such financial statements.
2. Receive from the external auditors' report on their review of the annual financial statements.
3. Receive from management a copy of the representation letter provided to the external auditors and receive from management any additional representations required by the Committee.
4. Review and, if appropriate, recommend approval to the Board of management discussion and analysis, AIF forms (if prepared) and reports to the shareholders issued by the Corporation with respect to the Corporation's annual and quarterly financial statements.
5. Review and, if appropriate, recommend approval to the Board of prospectuses, any material change disclosures of a financial nature, and similar disclosure documents to be issued by the Corporation.

### ***Accounting Policies***

1. Review with management and the external auditors the appropriateness of the Corporation's accounting policies and disclosures.
2. Review with management and the external auditors the Corporation's underlying accounting policies and any significant estimates and judgments.

### ***Risk and Uncertainty***

1. Review with management the significant financial risks and principal business risks facing the Corporation and gain reasonable assurance that they are being effectively managed or controlled.
2. Ascertain that policies and procedures are in place to minimize environmental, occupational health and safety, and other risks to asset value.
3. Review the adequacy of insurance coverage maintained by the Corporation.
4. Review regularly with management, the external auditors and the Corporation's legal counsel any legal claim or other contingency that could have a material effect upon the financial position of the Corporation.

### ***Financial Controls and Control Deviations***

1. Review with management the effectiveness of the Corporation's internal financial controls to ensure they are comprehensive, coordinated and cost effective.

### ***Compliance with Laws and Regulations***

1. Review regular reports from management and the external auditors with respect to the Corporation's compliance with laws and regulations having a material impact on the financial statements, various tax and other withholding accounts and other laws and regulations which could expose directors to liability.

### ***Relationship with External Auditors***

1. Recommend to the Board the nomination of external auditors.
2. Approve the remuneration and the terms of engagement of the external auditors as set out in the engagement letter.
3. Review the performance of the external auditors annually.
4. Receive a report annually from the external auditors with respect to their independence, such report to include a disclosure of all engagements (and fees related thereto) for any non-audit services by the Corporation.
5. Review with the external auditors the scope of the audit, the areas of special emphasis to be addressed in the audit, the general overall audit plan and the materiality levels, which the external auditors propose to employ. Review the results of the external audit with the external auditors including the auditors' report, overall presentation of the financial statements, any adjustments needed or contemplated, areas of difficulty and any changes to the original audit plan.

6. Meet privately with the external auditors to determine that no management restrictions have been placed on the scope and extent of the audit examinations conducted by the external auditors or the reporting of their findings to the Committee.
7. Establish effective communication processes with management and the Corporation's external auditors to assist the Committee to monitor objectively the quality and effectiveness of the relationship among the external auditors, management and the Committee.

***Other Responsibilities***

1. After consultation with the Chief Financial Officer, discuss annually the reasonableness of the expenses of the Chief Executive Officer.
2. After consultation with the Chief Financial Officer and the external auditors, gain reasonable assurance annually of the quality and sufficiency of the Corporation's accounting personnel.
3. Perform such other functions as may from time to time be assigned to the Committee by the Board.

**ACCOUNTABILITY**

1. Review and update this Charter on a regular basis for approval by the Board.
2. From time to time, as requested by the Board, disclose its mandate and this Charter in the Corporation's statement of corporate governance practices.

## SCHEDULE "B"

### STOCK OPTION PLAN

#### TAURUS GOLD CORP. STOCK OPTION PLAN

#### 1. Purpose

The purpose of this Plan is to provide an incentive to the directors, officers, employees, consultants and other personnel of the Corporation or any of its subsidiaries to achieve the longer-term objectives of the Corporation; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and to attract to and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

#### 2. Definitions and Interpretation

When used in this Plan, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the respective meanings ascribed to them as follows:

- (a) "**Board of Directors**" means the board of directors of the Corporation;
- (b) "**Common Shares**" means common shares in the capital of the Corporation and any shares or securities of the Corporation into which such common shares are changed, converted, subdivided, consolidated or reclassified;
- (c) "**Corporation**" means Taurus Gold Corp. and any successor corporation and any reference herein to action by the Corporation means action by or under the authority of its Board of Directors or a duly empowered committee appointed by the Board of Directors;
- (d) "**Discounted Market Price**" means the last per share closing price for the Common Shares on the Exchange before the date of grant of an Option, less any applicable discount under Exchange Policies;
- (e) "**Exchange**" means the Canadian Securities Exchange or any other stock exchange on which the Common Shares are listed;
- (f) "**Exchange Policies**" means the policies of the Exchange;
- (g) "**Insider**" has the meaning ascribed thereto in Exchange Policies;
- (h) "**Option**" means an option granted by the Corporation to an Optionee entitling such Optionee to acquire a designated number of Common Shares from treasury at a price determined by the Board of Directors;
- (i) "**Option Period**" means the period determined by the or during which an Optionee may exercise an Option, not to exceed the maximum period permitted by the Exchange, which maximum period is ten (10) years from the date the Option is granted;

- (j) "**Optionee**" means a person who is a director, officer, employee, consultant or provides services to the Corporation, who is granted an Option pursuant to this Plan; and
- (k) "**Plan**" shall mean the Corporation's incentive stock option plan as embodied herein and as from time to time amended.

Capitalized terms in the Plan that are not otherwise defined herein shall have the meaning set out in the Exchange Policies, including without limitation "Insider" and "Investor Relations Activities".

Wherever the singular or masculine is used in this Plan, the same shall be construed as meaning the plural or feminine or body corporate and vice versa, where the context or the parties so require.

### **3. Administration**

This Plan shall be administered by the Board of Directors. The Board of Directors shall have full and final discretion to interpret the provisions of the Plan and to prescribe, amend, rescind and waive rules and regulations to govern the administration and operation of this Plan. All decisions and interpretations made by the Board of Directors shall be binding and conclusive upon the Corporation and on all persons eligible to participate in the Plan, subject to shareholder approval if required by the Exchange. Notwithstanding the foregoing or any other provision contained herein, the Board of Directors shall have the right to delegate the administration and operation of the Plan to a special committee of directors appointed from time to time by the Board of Directors, in which case all references herein to the Board of Directors shall be deemed to refer to such committee.

### **4. Eligibility**

The Board of Directors may at any time and from time to time designate those Optionees who are to be granted an Option pursuant to the Plan and grant an Option to such Optionee. Subject to the Exchange Policies and the limitations contained herein, the Board of Directors is authorized to provide for the grant and exercise of Options on such terms (which may vary as between Options) as it shall determine. No Option shall be granted to any person except upon recommendation of the Board of Directors. A person who has been granted an Option may, if he is otherwise eligible and if permitted by the Exchange Policies, be granted an additional Option or Options if the Board of Directors shall so determine. Subject to Exchange Policies, the Corporation shall represent that the Optionee is a bona fide employee or consultant in respect of Options granted to such Optionees.

### **5. Participation**

Participation in this Plan shall be entirely voluntary and any decision not to participate shall not affect an Optionee's relationship or employment with the Corporation.

Notwithstanding any express or implied term of this Plan or any Option to the contrary, the granting of an Option pursuant to this Plan shall in no way be construed as conferring on any Optionee any right with respect to continuance as a director, officer, employee or consultant of the Corporation or any subsidiary of the Corporation.

Options shall not be affected by any change of employment of the Optionee or by the Optionee ceasing to be a director or officer of or a consultant to the Corporation or any of its subsidiaries, where the Optionee at the same time becomes or continues to be a director, officer or employee of or a consultant to the Corporation or any of its subsidiaries.

No Optionee shall have any of the rights of a shareholder of the Corporation in respect to Common Shares issuable on exercise of an Option until such Common Shares shall have been paid for in full and issued by the Corporation on exercise of the Option, pursuant to this Plan.

**6. Common Shares Subject to Options**

The number of authorized but unissued Common Shares that may be issued upon the exercise of Options granted under this Plan at any time plus the number of Common Shares reserved for issuance under outstanding incentive stock options otherwise granted by the Corporation shall not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis at any time, and such aggregate number of Common Shares shall automatically increase or decrease as the number of issued and outstanding Common Shares changes. The Options granted under the Plan together with all of the Corporation's other previously established stock option plans or grants, shall not result at any time in:

- (a) the number of Common Shares reserved for issuance pursuant to Options granted to Insiders exceeding 10% of the issued and outstanding Common Shares; and
- (b) the grant to Insiders within a 12-month period, of a number of Options exceeding 10% of the outstanding Common Shares.

Subject to the Exchange Policies, the aggregate number of Common Shares reserved for issuance to any one (1) Optionee under Options granted in any 12 month period shall not exceed 5% of the issued and outstanding Common Shares determined at the date of grant.

Appropriate adjustments shall be made as set forth in Section 14 hereof, in both the number of Common Shares covered by individual grants and the total number of Common Shares authorized to be issued hereunder, to give effect to any relevant changes in the capitalization of the Corporation.

If any Option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unpurchased Common Shares subject thereto shall again be available for the purpose of this Plan.

**7. Option Agreement**

A written agreement will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Common Shares subject to option, the exercise price and any other terms and conditions approved by the Board of Directors, all in accordance with the provisions of this Plan (herein referred to as the "Stock Option Agreement"). The Stock Option Agreement will be in such form as the Board of Directors may from time to time approve, and may contain such terms as may be considered necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Optionee may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

**8. Option Period and Exercise Price**

Each Option and all rights thereunder shall be expressed to expire on the date set out in the respective Stock Option Agreement, which shall be the date of the expiry of the Option Period (the "Expiry Date"), subject to earlier termination as provided in Sections 10 and 11 hereof.



Subject to Exchange Policies and any limitations imposed by any relevant regulatory authority, the exercise price of an Option granted under this Plan shall be as determined by the Board of Directors when such Option is granted and shall not be lower than the greater of the closing market prices of the underlying securities on (a) the trading day prior to the date of grant of the Options; and (b) the date of grant of the Options.

**9. Exercise of Options**

An Optionee shall be entitled to exercise an Option granted to him at any time prior to the expiry of the Option Period, subject to Sections 10 and 11 hereof and to vesting limitations which may be imposed by the Board of Directors at the time such Option is granted. Subject to the Exchange Policies, the Board of Directors may, in its sole discretion, determine the time during which an Option shall vest and the method of vesting, or that no vesting restriction shall exist.

The exercise of any Option will be conditional upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Common Shares in respect of which the Option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Common Shares with respect to which the Option is being exercised.

Common Shares shall not be issued pursuant to the exercise of an Option unless the exercise of such Option and the issuance and delivery of such Common Shares pursuant thereto shall comply with all relevant provisions of applicable securities law, including, without limitation, the 1933 Act, the *United States Securities and Exchange Act of 1934, as amended*, applicable U.S. state laws, the rules and regulations promulgated thereunder, and the requirements of any stock exchange or consolidated stock price reporting system on which prices for the Common Shares are quoted at any given time. As a condition to the exercise of an Option, the Corporation may require the person exercising such Option to represent and warrant at the time of any such exercise that the Common Shares are being purchased only for investment and without any present intention to sell or distribute such Common Shares if, in the opinion of counsel for the Corporation, such a representation is required by law.

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

If an Optionee ceases to be a director, officer, employee, consultant or service provider of the Corporation or its subsidiaries for any reason other than death, the Optionee may, ninety (90) days after the Optionee's ceasing to be a director, officer, employee, consultant or service provider (or 30 days in the case of an Optionee engaged in Investor Relations Activities) or prior to the expiry of the Option Period, whichever is earlier, exercise any Option held by the Optionee, but only to the extent that the Optionee was entitled to exercise the Option at the date of such cessation. For greater certainty, any Optionee who is deemed to be an employee of the Corporation pursuant to any medical or disability plan of the Corporation shall be deemed to be an employee for the purposes of this Plan.

**11. Death of Optionee**

In the event of the death of an Optionee, the Option previously granted to him shall be exercisable within one (1) year following the date of the death of the Optionee or prior to the expiry of the Option Period, whichever is earlier, and then only:

- (a) by the person or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or the laws of descent and distribution, or by the Optionee's legal personal representative; and
- (b) to the extent that the Optionee was entitled to exercise the Option at the date of the Optionee's death.

**12. Optionee's Rights Not Transferable**

No right or interest of any Optionee in or under this Plan is assignable or transferable, in whole or in part, either directly or by operation of law or otherwise in any manner except by bequeath or the laws of descent and distribution, subject to the requirements of the Exchange, or as otherwise allowed by the Exchange.

Subject to the foregoing, the terms of this Plan shall bind the Corporation and its successors and assigns, and each Optionee and his heirs, executors, administrators and personal representatives.

**13. Takeover or Change of Control**

The Corporation shall have the power, in the event of:

- (a) any disposition of all or substantially all of the assets of the Corporation, or the dissolution, merger, amalgamation or consolidation of the Corporation with or into any other corporation or of such corporation into the Corporation; or
- (b) any change in control of the Corporation,

to make such arrangements as it shall deem appropriate for the exercise of outstanding Options or continuance of outstanding Options, including without limitation, to amend any Stock Option Agreement to permit the exercise of any or all of the remaining Options prior to the completion of any such transaction. If the Corporation shall exercise such power, the Option shall be deemed to have been amended to permit the exercise thereof in whole or in part by the Optionee at any time or from time to time as determined by the Corporation prior to the completion of such transaction.

**14. Anti-Dilution of the Option**

In the event of:

- (a) any subdivision, redivision or change of the Common Shares at any time during the term of the Option into a greater number of Common Shares, the Corporation shall deliver, at the time of any exercise thereafter of the Option, such number of Common Shares as would have resulted from such subdivision, redivision or change if the exercise of the Option had been made prior to the date of such subdivision, redivision or change;
- (b) any consolidation or change of the Common Shares at any time during the term of the Option into a lesser number of Common Shares, the number of Common Shares deliverable by the Corporation on any exercise thereafter of the Option shall be reduced to such number of Common Shares as would have resulted from such consolidation or change if the exercise of the Option had been made prior to the date of such consolidation or change; or

- (c) any reclassification of the Common Shares at any time outstanding or change of the Common Shares into other shares, or in case of the consolidation, amalgamation or merger of the Corporation with or into any other corporation (other than a consolidation, amalgamation or merger which does not result in a reclassification of the outstanding Common Shares or a change of the Common Shares into other shares), or in case of any transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation, at any time during the term of the Option, the Optionee shall be entitled to receive, and shall accept, in lieu of the number of Common Shares to which he was theretofore entitled upon exercise of the Option, the kind and amount of shares and other securities or property which such holder would have been entitled to receive as a result of such reclassification, change, consolidation, amalgamation, merger or transfer if, on the effective date thereof, he had been the holder of the number of Common Shares to which he was entitled upon exercise of the Option.

Adjustments shall be made successively whenever any event referred to in this Section shall occur. For greater certainty, the Optionee shall pay for the number of shares, other securities or property as aforesaid, the amount the Optionee would have paid if the Optionee had exercised the Option prior to the effective date of such subdivision, redivision, consolidation or change of the Common Shares or such reclassification, consolidation, amalgamation, merger or transfer, as the case may be.

**15. Costs**

The Corporation shall pay all costs of administering this Plan.

**16. Termination and Amendment**

- (a) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder at any time without the approval of the shareholders of the Corporation or any Optionee whose Option is amended or terminated, in order to conform this Plan or such Option, as the case may be, to applicable law or regulation or the requirements of the Exchange or any relevant regulatory authority, whether or not such amendment or termination would affect any accrued rights, subject to the approval of the Exchange or such regulatory authority.
- (b) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder for any reason other than the reasons set forth in Section 16(a) hereof, subject to the approval of the Exchange or any relevant regulatory authority and the approval of the shareholders of the Corporation if required by the Exchange or such regulatory authority.
- (c) This Plan, and any amendments hereto, shall be subject to acceptance and approval by the Exchange. Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless and until such approval and acceptance are given.

**17. Withholding Tax**

Upon exercise of an Option, the Optionee will, upon notification of the amount due and prior to or concurrently with the delivery of the certificates representing the Common Shares, pay to the Corporation amounts necessary to satisfy applicable withholding tax requirements or will otherwise

make arrangements satisfactory to the Corporation for such requirements. In order to implement this provision, the Corporation or any related corporation will have the right to retain and withhold from any payment of cash or Common Shares under the Plan the amount of taxes required to be withheld or otherwise deducted and paid in respect of such exercise. At its discretion, the Corporation may require an Optionee receiving Common Shares upon the exercise of an Option to reimburse the Corporation for any such taxes required to be withheld by the Corporation and withhold any distribution to the Optionee in whole or in part until the Corporation is so reimbursed. In lieu thereof, the Corporation will have the right to withhold from any cash amount due or to become due from the Corporation to the Optionee an amount equal to such taxes. The Corporation may also retain and withhold or the Optionee may elect, subject to approval by the Corporation at its sole discretion, to have the Corporation retain and withhold a number of Common Shares having a market value not less than the amount of such taxes required to be withheld by the Corporation to reimburse the Corporation for any such taxes and cancel (in whole or in part) any such Common Shares issuable upon exercise of an Option so withheld.

**18. Applicable Law**

This Plan shall be governed by, administered and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

**19. Prior Plans**

On the effective date (as set out in Section 19 hereof), subject to Exchange approval and, if required, shareholder approval:

- (a) this Plan shall entirely replace and supersede prior stock option plans, if any, enacted by the Corporation; and
- (b) all outstanding options shall be deemed to be granted pursuant to this Plan.

**20. Effective Date**

This Plan shall become effective as of and from the adoption by the Board and upon receipt of all necessary shareholder and regulatory approvals.

**21. Legends on Hold Periods**

If required by the Exchange policies or applicable securities laws, the Common Shares issued on exercise of the Options will be legended.