

None of the Canadian securities regulatory authorities nor the United States Securities and Exchange Commission nor any state securities commission have approved or disapproved of the proposed arrangement involving MacDonald Mines Exploration Ltd. and Canuc Resources Corporation, or passed upon the merits or fairness of the arrangement or upon the adequacy or accuracy of the information contained in this notice of special meeting and management proxy circular. Any representation to the contrary is a criminal offense.



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### **SPECIAL MEETING OF SHAREHOLDERS OF MACDONALD MINES EXPLORATION LTD. TO BE HELD ON MARCH 31, 2025**

### **NOTICE OF SPECIAL MEETING & MANAGEMENT INFORMATION CIRCULAR CONCERNING THE ARRANGEMENT INVOLVING MACDONALD MINES EXPLORATION LTD. & CANUC RESOURCES CORPORATION**

February 19, 2025

These materials are important and require your immediate attention. The shareholders of MacDonald Mines Exploration Ltd. are required to make important decisions. If you have questions as to how to deal with these documents or the matters to which they refer, please contact your financial, legal or other professional advisor. If you have any questions or require more information with respect to voting or completing your transmitted documentation, please contact MacDonald Mines Exploration Ltd. at 416 364 4986.

### **NOTICE TO UNITED STATES SECURITYHOLDERS**

*The enforcement by investors of civil liabilities under United States federal securities laws may be affected adversely by the fact that each of MacDonald Mines Exploration Ltd. ("BMK") and Canuc Resources Corporation ("CDA") are organized under the laws of a jurisdiction other than the United States, that their respective officers and directors are residents of countries other than the United States, that all of the experts named in this Information Circular may be residents of countries other than the United States, or that all or a substantial portion of the assets of BMK and CDA and such persons are located outside the United States. Because such persons are located outside the United States, it may not be possible for you to effect service of process within the United States on these persons. Furthermore, you may not be able to enforce against such persons, BMK or CDA, in the United States, judgments obtained in United States courts for violations of United States securities laws.*



## MacDonald Mines Exploration Ltd.

February 19, 2025

Dear Shareholders:

The board of directors of MacDonald Mines Exploration Ltd. ("**BMK**") cordially invites you to attend the special meeting of shareholders of BMK (the "**Meeting**") to be held at 10:00 a.m. (Vancouver time) on March 31, 2025 at the offices of Richards Buell Sutton LLP, located at 700 - 401 West Georgia Street, Vancouver, British Columbia.

At the meeting, holders ("**BMK Shareholders**") of BMK common shares ("**BMK Shares**") will be asked to consider and, if deemed advisable, to pass a special resolution approving a statutory arrangement (the "**Arrangement**") under section 192 of the *Canadian Business Corporations Act* which involves, among other things, the indirect acquisition by Canuc Resources Corporation ("**CDA**"), through its wholly-owned subsidiary 16712371 Canada Inc. ("**CDA Subco**"), of all of the common shares of BMK.

Under the Arrangement, CDA will issue 72,000,000 common shares to the BMK Shareholders, representing an exchange ratio of approximately 1.497 CDA common shares for every one BMK common share, representing approximately 31% of the issued and outstanding common shares of CDA as at the date hereof, but without taking into consideration a private placement financing to be completed by CDA. Further information regarding the Arrangement is provided in the accompanying Information Circular.

**The board of directors of BMK (the "BMK Board") has determined that the Arrangement is fair to BMK Shareholders and in the best interests of BMK and unanimously recommends that the BMK Shareholders vote IN FAVOUR of the special resolution, and, therefore, the Arrangement.**

The accompanying Notice of Special Meeting of BMK Shareholders and Information Circular provide a full description of the Arrangement and include additional information to assist you in considering how to vote on the Arrangement. You are encouraged to consider carefully all of the information in the accompanying Information Circular including the documents incorporated by reference therein. If you require assistance, you should contact your financial, legal or other professional advisor.

To be effective, the Arrangement Resolution must be approved, with or without variation, by not less than two-thirds of the votes cast at the Meeting in person or by proxy by BMK Shareholders, but excluding any votes cast by related parties as prescribed by Multilateral Instrument 61-101 *Protection of Minority Shareholders*. As at the date of this Information Circular, 2,305,000 BMK Shares are held indirectly by Chris Berlet, CEO and a director of CDA, or parties related to Mr. Berlet, and will be excluded from the vote. Mr. Berlet will continue on as CEO and a director of CDA following completion of the Arrangement.

As a condition to completing the Arrangement, each of the directors and officers of BMK intend to vote their BMK Shares (as hereinafter defined) FOR the approval of the Arrangement. Directors and officers of BMK (and certain holding companies and spouses thereof) and other individuals

collectively holding approximately 10.34% of the outstanding BMK Shares will enter into agreements with CDA to vote their shares in favour of the Arrangement, subject to compliance with certain legal requirements.

To be eligible for voting at the Meeting, the form of proxy must be returned to or deposited with TSX Trust Company (“**TSX Trust**”) not later than 10:00 a.m. (Vancouver time) on March 27, 2025 or if the Meeting is adjourned or postponed, at least 48 business hours (where “**business hours**” means hours on days other than a Saturday, Sunday or any other holiday in British Columbia or Ontario) before the time on the date to which the Meeting is adjourned or postponed. If you hold your securities through a broker or other intermediary, you should follow the instructions provided by your broker or other intermediary to vote your securities.

BMK Shareholders should carefully review the Information Circular and are urged to consult their financial, legal and other professional advisors.

If BMK Shareholders approve the Arrangement and all of the conditions to the Arrangement are satisfied or, where permitted, waived, it is anticipated that the Arrangement will be completed on or about April 15, 2025. It is anticipated that, to determine the BMK Shareholders of record for the purposes of completing the Arrangement, the deemed record date for the Arrangement will be the effective date of the Arrangement itself.

As such, prior to its completion and after BMK receives confirmation that all conditions to the Arrangement have been satisfied or waived, BMK will provide further notice of all closing details by way of news release. The news release will include, among other things, a listing of all final effective dates (including the deemed record date) for the Arrangement.

On behalf of BMK, we would like to thank all BMK Shareholders for their ongoing support.

Sincerely,

(signed) *Michael England*

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Michael England  
CEO and Director

## NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that a special meeting (the “**Meeting**”) of BMK Shareholders will be held at the offices of Richards Buell Sutton LLP, 700, 401 West Georgia Street, Vancouver, British Columbia, V6B 5A1, on March 31, 2025 at 10:00 a.m. (Vancouver time) for the following purposes:

1. to consider, pursuant to an interim order of the Superior Court of Ontario dated February 18, 2025 (the “**Interim Order**”) and, if thought advisable, to pass, with or without amendment, a special resolution (the “**Arrangement Resolution**”) approving a plan of arrangement (the “**Plan of Arrangement**”) under section 192 of the *Canadian Business Corporations Act*, which involves, among other things, the acquisition of all of the BMK Shares by CDA, all as more particularly described in the accompanying Information Circular; and
2. to transact such further or other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

Copies of the Arrangement Resolution, Interim Order and Plan of Arrangement and notice of Application in respect of the Arrangement are attached as schedules to this Information Circular.

BMK Shareholders are entitled to vote at the Meeting either in person or by proxy. Registered BMK Shareholders who are unable to attend the Meeting in person are encouraged to read, complete, sign, date and return the enclosed form of proxy in accordance with the instructions set out in the proxy and in this Information Circular.

Proxies must be received at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting (or any adjournment or postponement of the Meeting) by TSX Trust, at its office at 100 Adelaide Street West, #301, Toronto, Ontario M5H 1S3, or by fax number 416-361-0470.

If you are a non-registered securityholder, please refer to the section in the Information Circular entitled “General Proxy Information — Advice to Beneficial Holders of BMK Shares” for information on how to vote.

Holders of BMK Shares who validly dissent from the Plan of Arrangement will be entitled to be paid the fair value of their shares, subject to strict compliance with section 190 of the *Canadian Business Corporations Act* (the “**CBCA**”), as modified by the provisions of the Interim Order, the proposed final order and the Plan of Arrangement. **Failure to comply strictly with the requirements set forth in section 190 of the CBCA, as modified, may result in the loss of any right of dissent.**

**BMK Shareholders who do not hold their common shares in their own name and who wish to dissent should be aware that only registered securityholders are entitled to dissent.** Accordingly, a beneficial owner of BMK Shares desiring to exercise this right must make arrangements for such BMK Shares beneficially owned by such person to be registered in their name prior to the time the written notice of dissent to the Arrangement Resolution is required to be received by BMK or, alternatively, make arrangements for the registered holder of such BMK Shares to dissent on their behalf.

The right to dissent is described in the Information Circular and Schedule “C” to the Circular, and the Interim Order is set forth in Schedule “D” to the Circular.

DATED at Vancouver, British Columbia this February 19, 2025.

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed) "*Michael England*"

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**Michael England**  
**CEO and Director**

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## **INFORMATION CONTAINED IN THIS INFORMATION CIRCULAR**

The information contained in this Information Circular, unless otherwise indicated, is given as of February 19, 2025.

All summaries of, or reference to, the Arrangement in this Information Circular are qualified in their entirety by reference to the complete text of the Plan of Arrangement, a copy of which is attached as Schedule "A" to this Information Circular. You are urged to carefully read the full text of the Plan of Arrangement.

No person has been authorized to give any information or to make any representation in connection with the matters being considered other than those contained in this Information Circular and, if given or made, such information or representation should not be considered or relied upon as having been authorized. This Information Circular does not constitute an offer to sell, or a solicitation of an offer to acquire, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer of proxy solicitation. Neither the delivery of this Information Circular nor any distribution of securities referred to in this Information Circular shall, under any circumstances, create any implication that there has been no change in the information set out in this Information Circular since its effective date.

Information contained in this Information Circular should not be construed as legal, tax or financial advice and BMK Shareholders are urged to consult their own professional advisors in connection with the matters considered in this Information Circular.

The Arrangement has not been approved or disapproved by any securities regulatory authority, nor has the TSX Venture Exchange Inc. nor any securities regulatory authority passed upon the fairness or merits of the Arrangement or upon the accuracy or adequacy of the information contained in this Information Circular and any representation to the contrary is unlawful.

### **Information Contained in this Information Circular regarding CDA and CDA Subco**

The information concerning CDA and CDA Subco contained in this Information Circular has been provided by CDA. Although BMK has no knowledge that would indicate any statements contained in this Information Circular relating to CDA and CDA Subco taken from or based upon such information provided by CDA are untrue or incomplete, neither BMK nor any of its officers or directors assumes any responsibility for the accuracy or completeness of the information relating to CDA and CDA Subco, or for any failure by CDA to disclose facts or events that may have occurred or may affect the significance or accuracy of any such information but which are unknown to BMK.

### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

This Information Circular, including the documents incorporated by reference herein, and its schedules contain "forward-looking statements" (within the meaning of applicable securities legislation). Such forward-looking statements concern the Arrangement and other matters that may occur in the future.

Forward-looking statements include, but are not limited to, statements with respect to the proposed Arrangement and its completion. In certain cases, forward-looking statements can be



identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”.

These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of BMK and CDA to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, risks associated with the Arrangement, including: (a) that the Arrangement may be terminated in certain circumstances; (b) that there can be no certainty that the Arrangement will be completed as described or at all; (c) that BMK will incur costs with respect to the Arrangement and may have to pay the Termination Payment if the Arrangement does not complete; (d) that the market price of the BMK Shares may decline; and (e) risks pertaining to any tax consequences to the BMK Shareholders under the Arrangement.

Although BMK has attempted to identify important factors that could affect BMK and CDA, unknown events may cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this Information Circular and its schedules address only as of the date hereof. BMK does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unforeseen events other than as required by applicable law.

## **NOTE TO UNITED STATES SECURITYHOLDERS**

THE ARRANGEMENT AND THE SECURITIES TO BE ISSUED IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR SECURITIES REGULATORY AUTHORITIES IN ANY STATE, NOR HAS THE SEC OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE PASSED UPON THE FAIRNESS OR MERITS OF THE ARRANGEMENT OR UPON THE ADEQUACY OR ACCURACY OF THIS INFORMATION CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The CDA Shares to be issued and common shares in the capital of CDA to be distributed to BMK Shareholders pursuant to the Arrangement have not been registered under the 1933 Act or applicable state securities laws, and are being issued and distributed in reliance on the exemption from the registration requirements of the 1933 Act set forth in Section 3(a)(10) thereof on the basis of the approval of the Court, which will consider, among other things, the fairness of the Arrangement to BMK Shareholders as further described in this Information Circular under the heading “*The Meeting – The Arrangement – Regulatory Law Matters and Securities Law Matters*”, and in reliance on exemptions from registration under applicable state securities laws.

The solicitation of proxies made pursuant to this Information Circular is not subject to the requirements of Section 14(a) of the 1934 Act. Accordingly, this Information Circular has been

prepared in accordance with disclosure requirements applicable in Canada, which are different from those of the United States applicable to proxy statements under the 1934 Act.

BMK Shareholders who are resident in, or citizens of, the United States are advised to review the summary contained in this Information Circular under the heading "*Certain United States Federal Income Tax Considerations*" and to consult their own tax advisors to determine the particular United States tax consequences to them of the Arrangement in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local, or other taxing jurisdiction.

The enforcement by investors of civil liabilities under United States securities laws may be affected adversely by the fact that each of BMK, CDA and CDA Subco are incorporated or organized outside the United States, that all of their respective officers and directors and the experts named herein are residents of a foreign country, and that all or a portion of the assets of BMK, CDA and CDA Subco and said persons are located outside the United States. As a result, it may be difficult or impossible for BMK Shareholders in the United States to effect service of process within the United States upon BMK or CDA, their respective officers or directors or the experts named herein, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States. In addition, BMK Shareholders in the United States should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States.

## GLOSSARY

Unless the context otherwise requires or where otherwise defined, the following words and terms will have the meanings set forth below when read in this Information Circular, including the Summary and Schedules hereto.

- 1933 Act** means the United States *Securities Act of 1933*, as amended, and the rules and regulations promulgated from time to time thereunder
- 1934 Act** means the United States *Securities Exchange Act of 1934*, as amended, and the rules and regulations promulgated from time to time thereunder
- Acquisition Proposal** means, other than the transactions contemplated under the Arrangement Agreement, any bona fide offer, proposal or inquiry (written or oral) from any person or group of persons “acting jointly or in concert” (within the meaning of National Instrument 62-104 – *Take-Over Bids and Issuer Bids*) with whom BMK deals at arm’s length, other than CDA (or any Affiliate of CDA), relating to:
- (a) any direct or indirect sale, disposition or joint venture or other arrangement having the same economic effect as a sale, disposition or joint venture, in a single transaction or a series of related transactions, of assets (including the securities of any subsidiary of BMK) representing 20% or more of the consolidated assets of BMK and its subsidiaries, in each case, based on the most recent consolidated financial statements of BMK filed as part of its public disclosures;
  - (b) any direct or indirect acquisition, purchase, take-over bid, tender offer, exchange offer, treasury issuance of securities, sale of securities or other transaction, in a single transaction or a series of related transactions, that, if consummated, would result in a person or group of persons beneficially owning or exercising control or direction over, directly or indirectly, 20% or more of any class of voting or equity securities (including securities convertible into or exercisable or exchangeable for voting or equity securities) of BMK or any of its subsidiaries (assuming, if applicable, the conversion, exercise or exchange of such securities convertible into or exercisable or exchangeable for voting or equity securities);
  - (c) any acquisition, share issuance, plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution, winding-up or other similar transaction, in a single or a series of related

transactions, involving BMK or any of its subsidiaries whose assets represent 20% or more of the consolidated assets or contribute 20% or more of the consolidated revenue of BMK and its subsidiaries, in each case, based upon the most recent consolidated financial statements of BMK filed as part of its public disclosures; or

(d) any other similar transaction or series of transactions involving BMK or any of its subsidiaries

<b>Affiliate</b>	has the meaning attributed to it in the <i>Securities Act</i> (Ontario)
<b>Amalco</b>	means the entity formed from the amalgamation of BMK and CDA Subco under the Arrangement
<b>Amalgamation</b>	means the amalgamation of BMK and CDA Subco under the Arrangement pursuant to the CBCA
<b>Arrangement</b>	means the arrangement under section 192 of the CBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Article III of the Plan of Arrangement at the direction of the Court
<b>Arrangement Agreement</b>	means the agreement dated February 4, 2025 among BMK, CDA and CDA Subco with respect to the Arrangement
<b>Arrangement Record Date</b>	means the record date for determining the BMK Shareholders for the purposes of the Arrangement
<b>Arrangement Resolution</b>	means, collectively, the special resolution of the BMK Shareholders approving the Arrangement to be considered at the Meeting, in the form attached as Schedule "A" to this Information Circular
<b>CBCA</b>	means the <i>Canadian Business Corporations Act</i> and the regulations made thereunder, as promulgated or amended from time to time
<b>Beneficial Securityholders</b>	has the meaning attributed to that term under "General Proxy Information - Solicitation of Proxies"
<b>BMK or the Company</b>	means MacDonald Mines Exploration Ltd.
<b>BMK Board</b>	means the board of directors of BMK
<b>BMK Disclosure Letter</b>	means the letter dated effective February 4, 2025 delivered by BMK to CDA in the form accepted by CDA with respect to certain matters in the Arrangement Agreement

<b>BMK Options</b>	means the outstanding options to purchase BMK Shares issued pursuant to the BMK Stock Option Plan
<b>BMK Securities</b>	means, collectively, the BMK Shares, BMK Options and BMK Warrants
<b>BMK Share</b>	means the issued and outstanding common shares of BMK
<b>BMK Shareholder</b>	means the holders of the BMK Shares
<b>BMK Shareholder Approval</b>	means the approval by: (i) 66 $\frac{2}{3}$ % of the votes cast on the Arrangement Resolution by the holders of BMK Shares, present in person or by proxy at the Meeting; and (ii) as required by the TSXV, 66 $\frac{2}{3}$ % of the votes cast on the Arrangement Resolution by holders of the BMK Shares, present in person or by proxy at the Meeting; and (iii) such securityholder approval as is required by the TSXV and/or applicable securities laws
<b>BMK Stock Option Plan</b>	stock option plan dated June 30, 2022, as approved by the BMK Shareholders on August 9, 2022
<b>BMK Termination Payment</b>	means a fee of \$352,800
<b>BMK Warrants</b>	means outstanding warrants to purchase BMK Shares
<b>BMK Warrantholders</b>	means the holders of outstanding BMK Warrants
<b>Business Day</b>	means any day other than a Saturday, a Sunday or a statutory or civic holiday in Toronto, Ontario
<b>Canadian ASPE</b>	means accounting principles generally accepted in Canada
<b>CDA</b>	means Canuc Resources Corporation
<b>CDA Subco</b>	means 16712371 Canada Inc.
<b>Completion Deadline</b>	means the date by which the transactions contemplated by the Arrangement Agreement are to be completed, which date shall be April 15, 2025
<b>Concurrent Offering</b>	means the offering by CDA of a minimum of 5,000,000 Units consisting of one CDA Share and one common share purchase warrant (each " <b>CDA Warrant</b> "), at a price of \$0.10 per Unit, for minimum gross proceeds of \$500,000. The CDA Warrants will be exercisable into CDA Shares as a price of \$0.15 per CDA Share for a period of 24 months from issuance
<b>Court</b>	means the Superior Court of Ontario

<b>CRA</b>	means the Canada Revenue Agency
<b>Dissent Procedures</b>	means the dissent procedures described under the heading "Dissent Rights" in this Information Circular
<b>Dissent Rights</b>	means the rights of dissent in respect of the Arrangement described in the Plan of Arrangement
<b>Dissent Shares</b>	means the BMK Shares held by a Dissenting Shareholder
<b>Dissenting Shareholder</b>	means a registered holder of BMK Shares who dissents in respect of the Arrangement in strict compliance with the Dissent Rights and who is ultimately entitled to be paid fair value for their BMK Shares
<b>Effective Date</b>	means the date agreed to by BMK, CDA and CDA Subco in writing as the effective date of the Arrangement, after all of the conditions precedent in the Arrangement Agreement and the Final Order have been satisfied or waived
<b>Effective Time</b>	means 12:01 a.m. (Vancouver time) on the Effective Date
<b>Final Order</b>	means the order of the Court pursuant to section 192 of the CBCA, after a hearing upon the fairness of the terms and conditions of the Arrangement, as such order may be amended at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or as amended on appeal
<b>form of proxy</b>	means the form of proxy that accompanied the Information Circular for use by BMK Shareholders at the Meeting
<b>Former BMK Optionholders</b>	means the holders of BMK Options immediately prior to the Effective Time
<b>Former BMK Securityholder</b>	means the holders of BMK Securities immediately prior to the Effective Time
<b>Former BMK Shareholders</b>	means the holders of BMK Shares immediately prior to the Effective Time
<b>Governmental Entity</b>	means any applicable: (a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (b) subdivision, agent, commission, board or authority of any of the foregoing; (c) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or

taxing authority under or for the account of any of the foregoing

**Information Circular** means this management information circular dated February 19, 2025, including all schedules and the documents incorporated by reference

**Interim Order** means the interim order of the Court dated February 18, 2025 made in connection with the Arrangement

**Intermediary** means an intermediary that a non-registered Shareholder may deal with in respect of its BMK Shares, including banks, trust companies, security dealers or brokers and trustees or administrators of registered retirement savings plans, registered retired income funds, registered education savings plans and similar plans, and their nominees

**IRS** means the United States Internal Revenue Service, or any successor agency thereto, including its agents, representatives and attorneys

**Law** means all laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, instruments, policies, notices, directions and judgments or other requirements of any Governmental Entity

**Material Adverse Change** means any one or more changes, effects, events, occurrences or states of facts that, either individually or in the aggregate, have, or would reasonably be expected to have, a Material Adverse Effect on BMK or CDA, as applicable, on a consolidated basis

**Material Adverse Effect** means any change, effect, event, occurrence or state of facts that, individually or in the aggregate, with other such changes, effects, events, occurrences or states of facts, is or would reasonably be expected to be material and adverse to the business, properties, operations, results of operations or financial condition of BMK or CDA, on a consolidated basis, except any change, effect, event, occurrence or state of facts resulting from or relating to:

(i) the announcement of the execution of this Agreement or any transactions contemplated herein, or communication by the applicable party of its plans or intentions with respect to the other party and/or any of its subsidiaries;

(ii) changes in the United States and Canadian economies in general or the United States and Canadian capital or currency markets in general;

(iii) the threat, commencement, occurrence or continuation of any war, armed hostilities, acts of environmental groups, civil strife, or acts of terrorism;

(iv) any change in applicable Laws or in the interpretation thereof by any Governmental Entity;

(v) any change in IFRS;

(vi) any natural disaster;

(vii) any change relating to foreign currency exchange rates; or

(viii) changes affecting the party's industry generally;

provided that, in the case of any changes referred to in (ii) to (viii) above, such changes do not have a materially disproportionate effect on the applicable party relative to comparable companies

<b>Meeting</b>	means the special meeting, including any adjournments or postponements thereof, of the BMK Shareholders to be held to, among other things, consider, and if deemed advisable, approve the Arrangement Resolution
<b>Meeting Record Date</b>	means February 19, 2025
<b>Non-Resident Holder</b>	has that meaning attributed to that term under "Certain Canadian Federal Income Tax Considerations"
<b>Notice of Dissent</b>	means a written objection to the Arrangement Resolution by a Dissenting Shareholder in accordance with the procedures described under the heading "Dissent Rights" in this Information Circular
<b>Notice of Meeting</b>	means the Notice of Special Meeting of BMK Shareholders dated February 19, 2025 in respect of the Meeting
<b>Plan of Arrangement</b>	means a plan of arrangement substantially in the form and content of Schedule "A" attached hereto and any amendment or variation thereto
<b>Registered Plan</b>	means a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered disability savings plan, a deferred profit sharing plan, a tax-free savings account or a registered education savings plan
<b>Regulation S</b>	means Regulation S under the 1933 Act;



<b>Resident Holder</b>	has that meaning ascribed to that term under "Certain Canadian Federal Income Tax Considerations"
<b>SEC</b>	means the United States Securities and Exchange Commission
<b>Securities Act</b>	means the <i>Securities Act</i> (Ontario), as amended
<b>Securities Authorities</b>	means, collectively, the Ontario Securities Commission and the other securities regulatory authorities in each of the provinces and territories of Canada and the SEC
<b>SEDAR</b>	means the System for Electronic Document Analysis and Retrieval available online at <a href="http://www.sedar.com">www.sedar.com</a>
<b>Superior Proposal</b>	means any unsolicited bona fide written Acquisition Proposal made from a person or group of persons with whom BMK deals at arm's length, other than CDA (or any affiliate of CDA), to acquire not less than all of the outstanding BMK Shares (other than BMK Shares beneficially owned by such person or persons) or all or substantially all of the assets of BMK on a consolidated basis that (a) did not result from a breach of Sections 8.1 or 8.2 of the Arrangement Agreement; (b) the BMK Board determines, in its good-faith judgment, after receiving the advice of its outside legal counsel and financial advisors, is reasonably capable of being completed, without undue delay, taking into account all financial, legal, regulatory and other aspects of such Acquisition Proposal and the person or group of persons making such Acquisition Proposal and their respective affiliates; (c) is not subject to a financing condition and, in respect of which it has been demonstrated to the satisfaction of the BMK Board, in its good-faith judgment, after receiving the advice of its outside legal counsel and financial advisors, that adequate arrangements have been made in respect of any financing required to complete such Acquisition Proposal; (d) is not subject to a due diligence condition or access condition; and (e) the BMK Board determines, in its good-faith judgment, after receiving the advice of its outside legal counsel and financial advisors and after taking into account all legal, financial, regulatory and other aspects of such Acquisition Proposal and the person or group of persons making such Acquisition Proposal and their affiliates, would, if consummated in accordance with its terms, but without assuming away the risk of non-completion, result in a transaction that is more favourable, from a financial point of view, to BMK Shareholders than the Arrangement (including any amendments to the terms and conditions of the Arrangement proposed by CDA).

<b>Tax Act</b>	means the <i>Income Tax Act</i> (Canada), as amended and the regulations thereunder, as amended
<b>Tax Proposals</b>	has that meaning attributed to that term under "Certain Canadian Federal Income Tax Considerations"
<b>TSXV</b>	means the TSX Venture Exchange
<b>US or United States</b>	means the United States of America, its territories and possessions, any state of the United States and the District of Columbia
<b>US Holder</b>	has that meaning attributed to that term under "Certain United States Federal Income Tax Considerations"
<b>US Tax Code</b>	has that meaning attributed to that term under "Certain United States Federal Income Tax Considerations"
<b>SPJ Property</b>	means BMK's mining property, the Scadding-Powerline-Jovan property located approximately 20 km southeast of the Sudbury Mining Camp in Norther Ontario approximately 19,000 ha in size

## SUMMARY

*The following is a summary of information contained elsewhere in this Information Circular. Reference is made to, and this summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information contained in this Information Circular and the attached schedules or otherwise incorporated by reference. BMK Shareholders are encouraged to read this Information Circular and the attached schedules and any information incorporated by reference carefully and in their entirety. Capitalized words and terms in this Summary have the same meanings as set forth in the Glossary of Terms.*

### **The Meeting**

#### ***Date, Time and Place of the Meeting***

The Meeting will be held on March 31, 2025 at 10:00 a.m. (Vancouver time) at the offices of Richards Buell Sutton LLP, located at 700 - 401 West Georgia Street, Vancouver, British Columbia.

#### ***Meeting Record Date***

Only BMK Shareholders of record at 10:00 a.m. (Vancouver time) on February 19, 2025 will be entitled to receive notice of and vote at the Meeting, or any adjournment or postponement thereof.

#### ***Purpose of the Meeting***

At the Meeting, BMK Shareholders will be asked to consider and, if deemed advisable, to pass, the Arrangement Resolution approving the Arrangement between BMK and CDA. The full text of the Arrangement Resolution is set out in Schedule "B" to this Information Circular. The Arrangement Resolution will require an affirmative vote of 66 $\frac{2}{3}$ % of the votes cast by those BMK Shareholders who vote in person or by proxy at the Meeting, but excluding any votes cast by related parties as prescribed by Multilateral Instrument 61-101 *Protection of Minority Shareholders*. As at the date of this Information Circular, 2,305,000 BMK Shares (representing 4.79% of the outstanding BMK Shares as at the date of this Information Circular, calculated on a non-diluted basis) are held indirectly by Chris Berlet, CEO and a director of CDA, or parties related to Mr. Berlet, and will be excluded from the vote. Mr. Berlet will continue as CEO and a director of CDA following completion of the Arrangement.

### **The Arrangement**

At the Effective Time, pursuant to the terms of the Plan of Arrangement, BMK and CDA will effect an Arrangement under the CBCA, pursuant to which:

- each BMK Share held by a Dissenting Shareholder shall be transferred to Amalco (free and clear of all liens, claims and encumbrances) and cancelled and become an entitlement to be paid the fair value of such BMK Share and the Dissenting Shareholder shall cease to have any rights as a holder of such BMK Share other than the right to be paid the fair value of such BMK Share by Amalco in accordance with the dissent provisions of the Plan of Arrangement;
- CDA Subco and BMK shall be amalgamated and continued as one corporation under the CBCA to form Amalco (the "**Amalgamation**")

- On and in consequence of the Amalgamation:
  - each BMK Share held by CDA or CDA Subco, if any, will be cancelled without any repayment of capital in respect thereof;
  - each issued and outstanding BMK Share (other than BMK Shares held by CDA and CDA Subco) shall be cancelled and such holder's name shall be removed from the register of holders of BMK Shares as of the Effective Time and in consideration therefor the holder thereof shall receive 1.497 fully paid and non-assessable CDA Shares in respect of each BMK Share so cancelled and the CDA Shares held by such holder shall be added to the register of holders of CDA Shares as of the Effective Date;
  - each BMK Option which is outstanding and has not been duly exercised prior to the Effective Time, shall, in accordance with their existing terms, entitle the holder to purchase from CDA 1.497 CDA Shares (rounded down to the nearest whole share) for every one BMK Share subject to such BMK Option immediately prior to the Effective Time, at an exercise price per CDA Share (rounded up to the nearest whole cent) equal to the exercise price per BMK Share subject to such BMK Option immediately before the Effective Time divided by 1.497;
  - each BMK Warrant which is outstanding and has not been duly exercised prior to the Effective Time, shall, in accordance with their existing terms, entitle the holder to purchase from CDA 1.497 CDA Shares (rounded down to the nearest whole share) for every one BMK Share subject to such BMK Warrant immediately prior to the Effective Time, at an exercise price per CDA Share (rounded up to the nearest whole cent) equal to the exercise price per BMK Share subject to such BMK Warrant immediately before the Effective Time; divided by 1.497; and
  - the issued and outstanding CDA Subco Shares held by CDA shall be cancelled and in exchange therefor CDA shall receive an equal number of common shares of Amalco and the common shares of Amalco held by CDA shall be added to the register of holders of common shares of Amalco as of the Effective Date.

The Arrangement shall be structured such that, assuming the resolutions approving the Arrangement are approved and the Final Order have been obtained, the issuance of the CDA Shares issuable to the holders of BMK Shares, and issuable to holders of the BMK Options and BMK Warrants upon due exercise of the BMK Options and BMK Warrants in accordance with their respective terms, respectively, under the Arrangement will not require registration under the United States *Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder, in reliance on Section 3(a)(10) thereof.

It is anticipated that, to determine the BMK Shareholders of record for the purposes of completing the Arrangement, the deemed Arrangement Record Date will be the effective date of the Arrangement itself.

As such, prior to its completion and after BMK receives confirmation that all conditions to the Arrangement have been satisfied or waived, BMK will provide further notice of all closing details by way of news release. The news release will include, among other things, a listing of all final effective dates (including the deemed Arrangement Record Date) for the Arrangement. BMK anticipates that a trading halt will apply commencing on the trading day immediately prior to the Arrangement Record Date.

See "The Arrangement - Principal Steps of the Arrangement."

### **Recommendation of the BMK Board**

The BMK Board, after careful consideration of the Arrangement and the other factors set out below under the heading "*The Arrangement — Reasons for the Arrangement*", has unanimously determined that the Arrangement is fair to BMK Shareholders and is in the best interests of BMK. **Accordingly, the BMK Board unanimously recommends that BMK Shareholders vote FOR the Arrangement Resolution.**

### **Reasons for the Arrangement**

The following is a summary of the principal reasons for the unanimous recommendation of the BMK Board that BMK Shareholders vote FOR the Arrangement Resolution:

- *Financial Circumstances of BMK.* BMK was, and is, experiencing serious financial difficulties due to mounting payables, and management has been concerned about BMK losing the SPJ Property due to such difficulties, given that assessment work is imminently required.
- *Continued Participation in BMK through CDA.* BMK Shareholders, through their ownership of CDA Shares, will continue to participate in the value creation associated with the exploration, development and operation of BMK's current mineral projects. Management of BMK believes that the combined land packages of CDA and BMK will result in a more financeable business.
- *Likelihood of the Arrangement Being Completed.* The likelihood of the Arrangement being completed is considered to be high, in light of the absence of significant closing conditions, other than the completion of the Concurrent Financing, obtaining BMK Securityholder Approval and the approval by the Court of the Arrangement, the exercise of Dissent Rights by BMK Shareholders holding no more than 5% of the BMK Shares, and other customary closing conditions.
- *Superior Proposals.* The Arrangement Agreement allows the BMK Board, in the exercise of its fiduciary duties, to respond to certain unsolicited Acquisition Proposals, prior to the BMK Shareholders Approval, which may be superior to the Arrangement.
- *Dissent Rights.* Registered BMK Shareholders who oppose the Arrangement may, on strict compliance with certain conditions, exercise their Dissent Rights and receive the fair value of the BMK Shares held by them in accordance with the Plan of Arrangement.
- *Lock-up Agreements.* The directors and officers of BMK, together with other BMK Shareholders, will enter into Lock-up Agreements with CDA, pursuant to which they agreed to vote in favour of the Arrangement. As of the Meeting Record Date, the directors and officers of BMK, together with the other BMK Shareholders who have entered into lock-up agreements, held approximately 10.34% of the outstanding BMK Shares on a non-diluted basis.

The foregoing discussion of the information and factors reviewed and considered by the BMK Board is not, and is not intended to be, exhaustive.

## **CDA and CDA Subco**

CDA is a resource development company focused, through one of its subsidiaries on the acquisition, exploration and development of the “San Javier Project” which is a silver-gold-copper exploration project located in northwest Mexico. CDA also has natural gas interests in Texas, USA through another subsidiary. CDA is a reporting issuer in Alberta, British Columbia, Ontario and Quebec, and the common shares of CDA are listed on the TSXV under the symbol “CDA”. The head office of CDA is located at 607 – 130 Queens Quay East, Toronto, Ontario, M5A 3Y5. CDA Subco is a wholly owned subsidiary of CDA. Further information regarding CDA is available under its SEDAR+ profile online at [www.sedarplus.ca](http://www.sedarplus.ca).

## **Conditions to the Arrangement**

Completion of the Arrangement is subject to a number of specified conditions being met as of the Effective Time, including, but not limited to, the following:

- the Arrangement Resolution shall have been approved and adopted by the BMK Shareholders at the Meeting in accordance with the CBCA, the Interim Order and the requirements of any applicable regulatory authority;
- the Court shall have determined that the terms and conditions of the Arrangement are procedurally and substantively fair to the BMK Shareholders and the Final Order shall have been granted in form and substance satisfactory to the parties, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to the parties, acting reasonably, on appeal or otherwise;
- the TSXV shall have accepted notice for filing of and approved the Arrangement, subject only to compliance with the usual requirements of the TSXV, as applicable, and the TSXV shall have conditionally approved the listing of the CDA Shares to be issued pursuant to the Arrangement on terms and conditions acceptable to BMK and CDA, acting reasonably;
- no law will have been enacted, issued, promulgated, enforced, made, entered, issued or applied and no proceeding will otherwise have been taken under any laws or by any governmental entity (whether temporary, preliminary or permanent) that makes the Arrangement illegal or otherwise directly or indirectly cease trades, enjoins, restrains or otherwise prohibits completion of the Arrangement;
- CDA shall have completed the Concurrent Financing;
- all covenants of BMK and CDA, respectively, shall have been duly performed or waived and all representations and warranties of BMK and CDA, respectively, must be true and correct at the Effective Time; and
- BMK Shareholders holding not more than 5% of the outstanding BMK Shares shall have exercised their Dissent Rights.

See “*The Arrangement — The Arrangement Agreement Agreement — Conditions to the Arrangement Becoming Effective*”.

### **Non-Solicitation of Acquisition Proposal, Right to Match and Termination Payments**

BMK has agreed, except as expressly permitted in the Arrangement Agreement, that it will not, directly or indirectly, make, solicit, initiate, facilitate, encourage or promote any inquiries or proposals regarding, constituting or that may reasonably be expected to lead to, an Acquisition Proposal or potential Acquisition Proposal. The above restrictions, however, will not apply if BMK receives a request for material non-public information from a person which is considering making or has made a written Acquisition Proposal and the BMK Board determines, after consultation with its financial advisor and outside legal counsel and subject to certain conditions in the Arrangement Agreement, that such proposal could reasonably be expected to result in a Superior Proposal or does constitute a Superior Proposal and that failure to consider or participate in such discussions would be inconsistent with its fiduciary duties. In such event, the BMK Board may, subject to the execution of a confidentiality and standstill agreement, provide the person who has made such Acquisition Proposal access to BMK's non-public information and participate in discussions and negotiations with such person.

BMK is required to give CDA five Business Days notice of the BMK Board's intention to accept, approve, recommend or enter into any agreement in respect of an Acquisition Proposal.

During the five Business Days referred to above, CDA has the opportunity, but not the obligation, to offer in writing to amend the terms of the Arrangement Agreement and the Arrangement, and the BMK Board shall review any offer by CDA to amend the terms of the Arrangement Agreement and the Arrangement in order to determine, in good faith, whether the offer of CDA to amend, upon acceptance by BMK, would result in the Acquisition Proposal not being a Superior Proposal. In that event, BMK and CDA will amend the Arrangement Agreement to reflect the amended transaction and BMK will promptly publicly confirm the BMK Board's recommendation of the amended transaction.

If the Acquisition Proposal constitutes a Superior Proposal and CDA does not propose an amendment to the terms of the Arrangement Agreement or such proposed amendment is not determined to result in the Acquisition Proposal no longer constituting a Superior Proposal, BMK may terminate the Arrangement Agreement and accept, approve, recommend or enter into an agreement, understanding or arrangement in respect of the Superior Proposal.

See "*The Arrangement - the Arrangement Agreement - Non-Solicitation Covenant*", "*Notice of Superior Proposal Determination*" and "*Termination Payments*."

### **Termination of Arrangement Agreement**

The Arrangement Agreement may be terminated in writing, at any time prior to the Effective Date, under the following circumstances:

- by the mutual written consent of the parties;
- by either BMK or CDA, if any of the conditions precedent for the benefit of the terminating party are not satisfied or waived in accordance with the terms of the Arrangement Agreement;
- by CDA, in the event an Acquisition Proposal in respect of BMK has been made or proposed and the BMK Board: (i) have made a change in its recommendation to the BMK Shareholders that they vote in support of the Arrangement Resolution, (ii) have failed to reaffirm their recommendation to the BMK Shareholders to vote for the Arrangement upon

request of CDA; or (iii) shall have entered into an agreement in respect of an Acquisition Proposal; or

- by either party, if the Arrangement is not completed by April 15, 2025, provided however, if the Arrangement has not been completed by such date because the Meeting has not been held due to the fault of BMK, then BMK will not be entitled to terminate the Arrangement Agreement;
- by BMK, if BMK proposes to enter into a legally binding agreement with respect to a Superior Proposal in compliance with the Arrangement Agreement.

### **Procedure for Exchange of BMK Shares**

Each BMK Shareholder shall be entitled to receive and CDA shall deliver or cause to deliver to such holder following the Effective Time, a certificate representing the CDA Shares that such holder is entitled to receive in accordance with Plan of Arrangement.

It is anticipated that, to determine the BMK Shareholders of record for the purposes of completing the Arrangement, the deemed Arrangement Record Date will be the effective date of the Arrangement itself.

As such, prior to its completion and after BMK receives confirmation that all conditions to the Arrangement have been satisfied or waived, BMK will provide further notice of all closing details by way of news release. The news release will include, among other things, a listing of all final effective dates (including the deemed Arrangement Record Date) for the Arrangement. BMK anticipates that a trading halt will apply commencing on the trading day immediately prior to the Arrangement Record Date.

Upon completion of the Arrangement, holders of BMK Warrants and BMK Options will, upon exercise of such warrants and options in accordance with their existing terms, receive 1.497 CDA Shares for every BMK share that such holder would have otherwise been entitled to receive upon due exercise of such BMK Warrants and BMK Options, at an exercise price equal to their original exercise price divided by 1.497.

No fractional CDA Shares shall be issued to Former BMK Shareholders. The number of CDA Shares to be issued to Former BMK Shareholders or to holders of the BMK Options or BMK Warrants upon due exercise of the BMK Options or BMK Warrants in accordance with their respective terms, as applicable, shall be rounded up to the nearest whole CDA Share.

CDA and BMK shall be entitled to deduct and withhold from any consideration payable or otherwise deliverable to any Person hereunder (including, without limitation, the CDA Shares) and from all dividends or other distributions otherwise payable to any former BMK Shareholders such amounts as CDA and BMK are required or permitted to deduct and withhold therefrom under any provision of applicable laws in respect of taxes. For the purposes hereof, all such withheld amounts shall be treated as having been paid to the person in respect of which such deduction and withholding was made on account of the obligation to make payment to such person hereunder, provided that such deducted or withheld amounts are actually remitted to the appropriate governmental entity by or on behalf of BMK and CDA, as the case may be. To the extent necessary, such deductions and withholdings may be effected by selling any CDA Shares to which any such person may otherwise be entitled hereunder, and any amount remaining following the sale, deduction and remittance shall be paid to the person entitled thereto as soon as reasonably practicable.



See “*The Arrangement – Procedure for Exchange of BMK Shares*”.

### **Rights of Dissent**

Registered BMK Shareholders have the right to dissent with respect to the Arrangement and to be paid fair value of their BMK Shares upon strict compliance with the Interim Order, the Plan of Arrangement and applicable Laws. See “*The Arrangement — Dissent Rights*”. It is a condition of the Arrangement that Dissent Rights shall not have been exercised in the aggregate for more than 5% of the issued and outstanding BMK Shares.

A complete copy of section 190 of the CBCA outlining the Dissent Rights is attached to this Information Circular as Schedule “C”. It is recommended that any BMK Shareholder wishing to avail itself of its Dissent Rights under those provisions seek legal advice, as failure to comply strictly with the provisions of the CBCA (as modified by the Plan of Arrangement, the Interim Order and the Final Order) may prejudice its Dissent Rights.

### **Court Approval and Effective Date**

The Arrangement requires approval by the Court under Section 192 of the CBCA. Prior to the mailing of this Information Circular, BMK obtained the Interim Order which provides for the calling and holding of the Meeting and other procedural matters. A copy of the Interim Order is attached as Schedule “D” to this Information Circular. Subject to the approval of the Arrangement Resolution by BMK Shareholders at the Meeting, the hearing in respect of the Final Order is scheduled to take place on April 4, 2025.

At the hearing, the Court will consider, among other things, the substantive and procedural fairness of the terms and conditions of the Arrangement and the rights and interests of every BMK Securityholder affected. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit. Prior to the hearing on the Final Order, the Court will be informed that the Final Order will also constitute the basis for an exemption from registration under the 1933 Act for the CDA Shares to be issued and distributed under the Arrangement to BMK Shareholders, and the CDA Shares issuable upon due exercise of the outstanding BMK Options and BMK Warrants in accordance with their existing terms, pursuant the 1933 Act. See “*The Arrangement — Court Approval of the Arrangement*”.

It is anticipated that, to determine the BMK Shareholders of record for the purposes of completing the Arrangement, the deemed Arrangement Record Date will be the effective date of the Arrangement itself.

As such, prior to its completion and after BMK receives confirmation that all conditions to the Arrangement have been satisfied or waived, BMK will provide further notice of all closing details by way of news release. The news release will include, among other things, a listing of all final effective dates (including the deemed Arrangement Record Date) for the Arrangement. BMK anticipates that a trading halt will apply commencing on the trading day immediately prior to the Arrangement Record Date.

### **Risk Factors**

In evaluating the Arrangement, BMK Shareholders should carefully consider the risk factors relating to the Arrangement. The risk factors outlined under “*The Arrangement — Risks Associated with the Arrangement*” in the Information Circular are not an exhaustive list of all risk

factors associated with the Arrangement. Additional risks and uncertainties, including those currently unknown or considered immaterial by BMK, may also adversely affect the BMK Shares, the CDA Shares and/or CDA following the Arrangement. See “*Risk Factors Associated with the Arrangement*” in the Information Circular.

**MANAGEMENT INFORMATION CIRCULAR**  
(as at February 19, 2025, unless otherwise indicated)

**GENERAL PROXY INFORMATION**

**Solicitation of Proxies**

This Information Circular is furnished in connection with the solicitation of proxies by the management of BMK for use at the Meeting to be held at Suite 700, 401 West Georgia Street, Vancouver, British Columbia, on March 31, 2025, at 10:00 a.m. (Vancouver time) and any adjournment or postponements thereof, for the purposes set forth in the accompanying Notice of Meeting.

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of BMK. All costs of this solicitation will be borne by BMK, which will be assumed by Amalco upon completion of the Arrangement. CDA, which will be the parent company of Amalco upon completion of the Arrangement, has agreed that it will be ultimately responsible for such costs.

Notice of the Meeting was provided to the securities commissions in each jurisdiction where BMK is a reporting issuer under applicable securities laws.

In this Information Circular, references to “**Beneficial Securityholders**” means BMK Shareholders who do not hold BMK Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

**Revocability of Proxies**

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

- (a) executing a proxy bearing a later date; or
- (b) executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the shareholder’s authorized attorney in writing, or, if the shareholder is a company, under its corporate seal by an officer or attorney duly authorized, and by depositing the Proxy bearing a later date with Computershare Investor Services Inc., or at the address of the registered office of the Company at 700, 401 West Georgia Street, Vancouver, British Columbia, V6B 5A1, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the date that precedes any reconvening thereof, or to the chair of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (c) by the registered BMK Shareholder personally attending the Meeting and voting the registered BMK Shareholder’s security.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

## **Appointment of Proxyholders**

A BMK Shareholder entitled to vote at the Meeting may, by means of a proxy, appoint a proxyholder or one or more alternate proxyholders, who need not be a BMK Shareholder, to attend and act at the Meeting for the BMK Shareholder on the securityholder's behalf.

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

A proxy will not be valid unless the completed, signed and dated form of proxy is delivered to the office of TSX Trust Company Inc., Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1 or by fax at 416-595-9593 not less than 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the accompanying form of proxy is to be used.

## **Exercise of Discretion by Proxies**

The persons named in the accompanying form of proxy will vote or withhold from voting the BMK Shares represented thereby in accordance with the instructions of the BMK Shareholder on any ballot that may be called for. The accompanying form of proxy will confer discretionary authority on the nominees named therein with respect to:

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

In respect of a matter for which a choice is not specified in the accompanying form of proxy, the persons named in the accompanying form of proxy will vote the BMK Shares represented by the proxy in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management of BMK at the Meeting, including the Arrangement Resolution.

As of the date of this Information Circular, management of BMK knows of no amendment, variation or other matter that may come before the Meeting, but if any amendment, variation or other matter properly comes before the Meeting, each person named in the accompanying form of proxy intends to vote thereon in accordance with their best judgment.

## **Advice to Beneficial Holders of BMK Shares**

**The information set forth in this section is of significant importance to many BMK Shareholders, as a substantial number of BMK Shareholders do not hold BMK Shares in their own name.** Beneficial BMK Shareholders should note that only proxies deposited by BMK Shareholders whose names appear on the records of BMK as the registered holders of BMK Shares can be recognized and acted upon at the Meeting.

If BMK Shares are listed in an account statement provided to a securityholder by a broker, then in almost all cases those BMK Shares will not be registered in the securityholder's name on the records of BMK. Such BMK Shares will more likely be registered under the names of the securityholder's broker or an agent of that broker. In the United States, the vast majority of such shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many US brokerage firms and custodian banks), and in Canada under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of meetings unless the Beneficial Shareholders have waived the right to receive meeting material. Every intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their BMK Shares are voted at the Meeting.

In accordance with NI 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, BMK has distributed copies of the Meeting materials to the clearing agencies and intermediary for onward distribution to Beneficial Shareholders. If you are a Beneficial Shareholder, the form of proxy supplied to you by your broker (or its agent) is similar to the accompanying form of proxy provided to registered BMK Shareholders by BMK. However, its purpose is limited to instructing the intermediary how to vote on your behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Communications Solutions Canada ("**Broadridge**") in the United States and in Canada. Broadridge mails a voting instruction form in lieu of a proxy provided by BMK. The voting instruction form will name the Management Designees to represent you at the Meeting. You have the right to appoint a person (who need not be a securityholder of BMK), other than the persons designated in the voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of BMK Shares to be represented at the Meeting. If you receive a voting instruction form from Broadridge, you cannot use it to vote your BMK Shares directly at the Meeting. It must be returned to Broadridge well in advance of the Meeting in order to have the BMK Shares voted.

Although, as a Beneficial Shareholder, you may not be recognized directly at the Meeting for the purposes of voting the BMK Shares registered in the name of your broker (or agent of your broker), you may attend at the Meeting as proxyholder for your broker and vote the BMK Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your BMK Shares as proxyholder for your broker or have a person designated by you to do so, you should enter our own name, or the name of the person you wish to designate, in the blank space on the voting instrument form provided to you and return the same to your broker (or your broker's agent) in accordance with the instructions provided by your broker (or agent), well in advance of the Meeting.

Alternatively, you may request in writing that your broker send you a legal form of proxy which would enable you, or a person designed by you, to attend at the Meeting and vote your BMK Shares.

## MEETING RECORD DATE AND QUORUM

The board of directors of BMK has fixed February 19, 2025 as the record date (the “**Meeting Record Date**”) for determination of persons entitled to receive notice of the Meeting. Only BMK Shareholders of record at the close of business on the Meeting Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any postponement or adjournment thereof, in the manner and subject to the provisions described above will be entitled to vote or to have their BMK Shares voted at the Meeting.

A quorum for the Meeting is two persons present in person or represented by proxy.

For greater clarity, the Meeting Record Date **is not** the same as the Arrangement Record Date. The Arrangement Record Date will be used to determine the BMK Shareholders to whom the Arrangement will apply. It is anticipated that the Arrangement Record Date will be the effective date of the completion of the Arrangement itself, and that a trading halt will apply to the BMK Shares commencing on the trading day immediately prior to the Arrangement Record Date.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As of the date of this Information Circular, BMK had outstanding 48,077,158 fully paid and non-assessable BMK Shares without par value, each carrying the right to one vote. BMK has no other classes of voting securities.

Any BMK Shareholder of record at the close of business on the Meeting Record Date who either personally attends the Meeting or who has completed and delivered a proxy in the manner specified, subject to the provisions described above, shall be entitled to vote or have its BMK Shares voted at the Meeting.

To the best of the knowledge of the directors and executive officers of BMK, no one beneficial owner owns, directly or indirectly, or exercises control or direction over: (a) shares carrying more than 10% of the outstanding voting rights of BMK; or (b) more than 10% of the outstanding BMK Shares.

## THE ARRANGEMENT

At the Meeting, BMK Shareholders will be asked to consider and, if thought advisable, to pass, the Arrangement Resolution to approve the Arrangement under the CBCA pursuant to the terms of the Arrangement Agreement and the Plan of Arrangement. The Arrangement, the Plan of Arrangement and the terms of the Arrangement Agreement are summarized below. This summary does not purport to be complete and is qualified in its entirety by reference to the Arrangement Agreement, which has been filed by BMK under its profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), and the Plan of Arrangement attached to this Information Circular as Schedule "B".

In order to implement the Arrangement, the Arrangement Resolution must be approved by not less than two-thirds of the votes cast by the BMK Shareholders, present in person or by proxy at the Meeting, but excluding any votes cast by related parties as prescribed by Multilateral Instrument 61-101 *Protection of Minority Shareholders*. As at the date of this Information Circular, 2,305,000 BMK Shares (representing 4.79% of the outstanding BMK Shares as at the date of this Information Circular, calculated on a non-diluted basis) are held indirectly by Chris Berlet, CEO and a director of CDA, or parties related to Mr. Berlet, and will be excluded from the vote. Mr. Berlet will continue as CEO and a director of CDA following the completion of the Arrangement.

A copy of the Arrangement Resolution is set out in Schedule “A” of this Information Circular.

Unless otherwise directed, it is management’s intention to vote **FOR** the Arrangement Resolution. If you do not specify how you want your BMK Shares voted, the persons named as proxyholders will cast the votes represented by your proxy at the Meeting **FOR** the Arrangement Resolution.

If the Arrangement is approved at the Meeting and the Final Order approving the Arrangement is issued by the Court and the applicable conditions to the completion of the Arrangement are satisfied or waived, the Arrangement will take effect at the Effective Time (which is expected to be at 12:01 a.m. (Vancouver time) on a date expected to be April 15, 2025, or as otherwise agreed to by BMK and CDA).

### **Principal Steps of the Arrangement**

Pursuant to the Plan of Arrangement, at the Effective Time the following principal steps shall occur and shall be deemed to occur without any further act or formality in the following sequence:

- each BMK Share held by a Dissenting Shareholder shall be transferred to Amalco (free and clear of all liens, claims and encumbrances) and cancelled and become an entitlement to be paid the fair value of such BMK Share and the Dissenting Shareholder shall cease to have any rights as a holder of such BMK Share other than the right to be paid the fair value of such BMK Share by Amalco in accordance with the dissent provisions of the Plan of Arrangement;
- CDA Subco and BMK shall be amalgamated and continued as one corporation under the CBCA to form Amalco. As a result:
  - all of the property of each of CDA Subco and BMK shall continue to be the property of Amalco;
  - Amalco shall continue to be liable for all of the obligations of each of CDA Subco and BMK;
  - any existing cause of action, claim or liability to prosecution of CDA Subco or BMK shall be unaffected;
  - any civil, criminal or administrative action or proceeding pending by or against CDA Subco or BMK may be continued to be prosecuted by or against Amalco; and
  - a conviction against, or ruling, order or judgement in favour of or against CDA Subco or BMK may be enforced by or against Amalco;
- On and in consequence of the Amalgamation:
  - each issued and outstanding BMK Share shall be cancelled and such holder's name shall be removed from the register of holders of BMK Shares as of the Effective Time and in consideration therefor the holder thereof shall receive 1.497 fully paid and non-assessable CDA Shares in respect of each BMK Share so cancelled and the CDA Shares held by such holder shall be added to the register of holders of CDA Shares as of the Effective Date;

- each BMK Option which is outstanding and has not been duly exercised prior to the Effective Time, shall, in accordance with their existing terms, entitle the holder to purchase from CDA 1.497 CDA Shares for every BMK Share that the holder would otherwise have been entitled to acquire pursuant to such BMK Option immediately prior to the Effective Time, rounded down to the nearest whole share) at an exercise price per CDA Share (rounded up to the nearest whole cent) equal to the exercise price of such BMK Option immediately before the Effective Time divided by 1.497;
- each BMK Warrant which is outstanding and has not been duly exercised prior to the Effective Time, shall, in accordance with their existing terms, entitle the holder to purchase from CDA 1.497 CDA Shares for every BMK Share that the holder would otherwise have been entitled to acquire pursuant to such BMK Warrant immediately prior to the Effective Time, rounded down to the nearest whole share) at an exercise price per CDA Share (rounded up to the nearest whole cent) equal to the exercise price of such BMK Warrant immediately before the Effective Time divided by 1.497;
- the issued and outstanding CDA Subco Shares held by CDA shall be cancelled and in exchange therefor CDA shall receive an equal number of common shares of Amalco and the common shares of Amalco held by CDA shall be added to the register of holders of common shares of Amalco as of the Effective Date.

The Arrangement shall be structured such that, assuming the resolutions approving the Arrangement are approved and the Final Order have been obtained, the issuance of the CDA Shares issuable to the holders of BMK Shares, and issuable to holders of the BMK Options and BMK Warrants upon due exercise of the BMK Options and BMK Warrants in accordance with their respective terms, respectively, under the Arrangement will not require registration under the United States *Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder, in reliance on Section 3(a)(10) thereof.

The exchanges, cancellations and steps provided for in the Plan of Arrangement shall be deemed to occur on the Effective Date, notwithstanding that certain of the procedures related thereto are not completed until after the Effective Date.

It is anticipated that, to determine the BMK Shareholders of record for the purposes of completing the Arrangement, the deemed Arrangement Record Date will be the effective date of the Arrangement itself.

As such, prior to its completion and after BMK receives confirmation that all conditions to the Arrangement have been satisfied or waived, BMK will provide further notice of all closing details by way of news release. The news release will include, among other things, a listing of all final effective dates (including the deemed Arrangement Record Date) for the Arrangement. BMK anticipates that a trading halt will apply commencing on the trading day immediately prior to the Arrangement Record Date.

Under the Plan of Arrangement, BMK and CDA reserve the right to amend, modify or supplement the Plan of Arrangement at any time and from time to time, provided that each such amendment, modification or supplement must be (i) set out in writing, (ii) agreed to in writing by BMK and CDA, (iii) filed with the Court and, if made following the Meeting, approved by the Court, and (iv) communicated to holders or former holders of BMK Securities, if and as required by the Court.



Under the Plan of Arrangement, any amendment, modification or supplement to this Plan of Arrangement may be proposed by BMK at any time prior to the Meeting provided that CDA shall have consented thereto in writing, with or without any other prior notice or communication, and, if so proposed and accepted by the persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the Meeting shall be effective only if: (i) it is consented to in writing by each of BMK and CDA; and (ii) if required by the Court, it is consented to by the BMK Shareholders voting in the manner directed by the Court.

Assuming completion of the Arrangement, on the Effective Date:

- BMK will amalgamate with CDA Subco to form Amalco;
- CDA will issue 72,000,000 CDA Shares to Former BMK Shareholders (pro-rata) representing an aggregate purchase price of \$5,040,000 to acquire the BMK Shares; and
- The BMK Shares will cease trading on the TSXV.

Following completion of the Arrangement, application will be made to the applicable securities commissions for BMK to cease to be a reporting issuer in each jurisdiction where it is presently a reporting issuer.

For further information regarding CDA and CDA Subco, see Schedule "D" *Information Regarding CDA and CDA Subco*.

### **Background to the Arrangement**

The provisions of the Arrangement Agreement are the result of arm's length negotiations between representatives of BMK and CDA and their respective financial and legal advisors. The following is a summary of the activities and discussions leading to the execution of the Arrangement Agreement.

In the summer of 2024, representatives of CDA and BMK met to discuss potential business dealings between CDA and BMK. This culminated in CDA providing a non-binding letter of intent with respect to the Arrangement, and the parties entered exclusive negotiations with respect to same. The parties entered into a non-binding letter of intent regarding the Arrangement on December 3, 2024.

From December 3, 2024 to February 3, 2025, the terms of the Arrangement Agreement were negotiated between BMK and CDA, with input from their legal advisors, and due diligence was conducted. Subsequently, BMK applied for and received conditional approval from the TSXV regarding the Arrangement.

The Arrangement Agreement was executed by BMK, CDA and CDA Subco on February 4, 2025. A news release announcing the Arrangement Agreement was issued by BMK and CDA respectively on February 13, 2025.

## Recommendation of the BMK Board

The BMK Board, having reviewed the Arrangement, including the factors set out below under the heading “The Meeting – the Arrangement – Reasons for the Arrangement” and having consulted with its financial and legal advisors, has unanimously determined that the Arrangement is in the best interests of BMK and is fair to the BMK Shareholders. **Accordingly, the BMK Board unanimously recommends that BMK Shareholders vote FOR the Arrangement Resolution.**

Each director of BMK has entered into a Lock Up Agreement with CDA, and is required to vote their BMK Shares in favour of the Arrangement Resolution, subject to the terms thereto.

## Reasons for the Arrangement

The BMK Board has reviewed and considered an amount of information and considered a number of factors relating to the Arrangement with the benefit of advice from BMK’s senior management and its legal advisors. The following is a summary of the principal reasons for the unanimous recommendation of the BMK Board that BMK Shareholders vote **FOR** the Arrangement Resolution:

1. *Financial Circumstances of BMK.* BMK was, and is, experiencing serious financial difficulties due to mounting payables, and management has been concerned about BMK losing the SPJ Property due to such difficulties, given that assessment work is imminently required.
2. *Continued Participation in CDA.* BMK Shareholders, through their ownership of CDA Shares, will continue to participate in the value creation associated with the exploration, development and operation of BMK’s current mineral projects. Management believes that the combined land packages of CDA and BMK will result in an imminently more financeable business.
3. *Likelihood of the Arrangement Being Completed.* The likelihood of the Arrangement being completed is considered to be high, in light of the experience, reputation and financial capability of CDA and the absence of significant closing conditions, other than completion of the Concurrent Financing, the BMK Shareholder Approval and the approval by the Court of the Arrangement, the exercise of Dissent Rights by BMK Shareholders holding no more than 5% of the outstanding BMK Shares, and other customary closing conditions.
4. *Superior Proposals.* The Arrangement Agreement allows the BMK Board, in the exercise of its fiduciary duties, to respond to certain unsolicited Acquisition Proposals, prior to the BMK Shareholder Approval, which may be superior to the Arrangement. The BMK Board received advice from its financial and legal advisors that the deal protection terms including the CDA Termination Payment, and circumstances for payment of the CDA Termination Payment, are within the ranges typical in the market for similar transactions and are not a significant deterrent to potential Superior Proposals.
5. *Dissent Rights.* Registered BMK Shareholders who oppose the Arrangement may, on strict compliance with certain conditions, exercise their Dissent Rights and receive the fair value of the BMK Shares held by them in accordance with the Plan of Arrangement.
6. *Lock-up Agreements.* The Locked-up Securityholders will entered into the Lock-up Agreements with CDA, pursuant to which they agreed to vote in favour of the Arrangement

Resolution. As of the Meeting Record Date, the Locked-up Securityholders held approximately 10.34% of the outstanding BMK Securities.

In view of the wide variety of factors and information considered in connection with their evaluation of the Arrangement, the BMK Board did not find it practicable to, and therefore did not, quantify or otherwise attempt to assign any relative weight to each specific factor or item of information considered in reaching their conclusions and recommendations. In addition, individual members of the BMK Board may have given different weights to different factors or items of information.

### **Approval of Arrangement Resolution**

At the Meeting, the BMK Shareholders will be asked to approve the Arrangement Resolution, the full text of which is set out in Schedule “B” to this Information Circular. In order for the Arrangement to become effective, as provided in the Interim Order and by the CBCA, the Arrangement Resolution must be approved by at least 66 $\frac{2}{3}$ % of the votes cast on the Arrangement Resolution by BMK Shareholders present in person or represented by proxy at the Meeting. Should the BMK Shareholders fail to approve the Arrangement Resolution by the requisite threshold, the Arrangement will not be completed.

**The BMK Board has approved the terms of the Arrangement Agreement and the Plan of Arrangement and recommends that the BMK Shareholders vote FOR the Arrangement Resolution. See “*The Meeting – The Arrangement – Recommendation of the BMK Board*” above.**

### **Lock-up Agreements**

As a condition to the completion of the Arrangement, CDA will enter into the Lock-up Agreements with each of the directors and officers of BMK, and with certain other BMK Shareholders. The Lock-up Agreements set forth, among other things, the agreement of such directors, officers and shareholders to vote their BMK Securities in favour of the Arrangement Resolution.

As of the Meeting Record Date, it is anticipated that 4,971,134 of the outstanding BMK Shares were subject to the Lock-up Agreements, representing approximately 10.34% of the outstanding BMK Shares on a non-diluted basis.

The Lock-up Agreements require voting support for the Arrangement Resolution, prohibit solicitation of an alternative Acquisition Proposal, and impose a contractual hold period on the BMK Shares held by the Locked-up Shareholders that have entered such Lock-up Agreements, expiring upon completion of the Arrangement, or upon earlier termination of the Lock-up Agreements.

Each Locked-up Shareholder has agreed to vote their owned (directly or indirectly) BMK Shares in favour of the Arrangement Resolution and against any other matter that could reasonably be expected to delay, prevent or frustrate the completion of the Arrangement. However, the Lock-up Agreements do not prevent a Locked-up Shareholder who is also a director or officer of BMK from acting in accordance with the exercise of their fiduciary duties.

The Lock-up Agreements terminate upon the earlier of: (i) mutual agreement; (ii) CDA’s election following a breach of the applicable Locked-up Shareholder’s covenant, representation or warranty; (iii) the completion of the Arrangement; or (iv) the date of termination of the Arrangement Agreement in accordance with the terms thereof.

## Conditions to Completion of the Arrangement

### *Mutual Conditions*

The respective obligations of BMK and CDA to complete the transactions contemplated in the Arrangement Agreement are subject to the fulfillment of the following conditions on or before the Effective Time or such other time as is specified below:

- The Arrangement Resolution shall have been approved and adopted in accordance with the Interim Order;
- the Interim Order and the Final Order shall each have been obtained on terms consistent with the Arrangement Agreement, and shall not have been set aside or modified in a manner unacceptable to either BMK or CDA, acting reasonably, on appeal or otherwise;
- each of the BMK Board and the CDA Board shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by BMK and CDA to permit the consummation of the Arrangement and all other matters contemplated in the Arrangement Agreement;
- the TSXV shall have accepted notice for filing of and approved the Transaction, subject only to compliance with the usual requirements of the TSXV, as applicable. As at the date of this Information Circular, the TSXV has granted its conditional approval;
- the TSXV shall have conditionally approved the listing on the TSXV of the CDA Shares to be issued pursuant to the Arrangement on terms and conditions acceptable to BMK and CDA, acting reasonably;
- no law will have been enacted, issued, promulgated, enforced, made, entered, issued or applied and no proceeding will otherwise have been taken under any laws or by any Governmental Entity (whether temporary, preliminary or permanent) that makes the Arrangement illegal or otherwise directly or indirectly cease trades, enjoins, restrains or otherwise prohibits completion of the Arrangement;
- the distribution of the CDA Shares pursuant to the Arrangement, and upon due exercise of the BMK Options and BMK Warrants in accordance with their respective terms subsequent to the Arrangement, shall be exempt from prospectus and registration requirements under applicable Canadian securities laws and, except with respect to persons deemed to be “control persons” of CDA under such securities laws upon completion of the Arrangement, such CDA Shares shall not be subject to any resale restrictions in Canada under such Canadian securities laws;
- the CDA Shares to be issued pursuant to the Arrangement, and the CDA Shares underlying the BMK Options and BMK Warrants subsequent to the Arrangement, shall be exempt from the registration requirements of the 1933 Act pursuant to the Section 3(a)(10) Exemption and pursuant to exemptions from applicable state securities laws;
- CDA shall have completed the Concurrent Financing. See Schedule “F” *Information Concerning CDA and CDA Subco* for further information; and
- the Arrangement Agreement shall not have been terminated in accordance with its terms.

The foregoing conditions are for the mutual benefit of the parties and may be waived by mutual consent of BMK and CDA in writing at any time.

#### *BMK Conditions*

The obligations of BMK to complete the transactions contemplated in the Arrangement Agreement is subject to the fulfillment of the following additional conditions on or before the Effective Date or such other time as is specified below:

- the representations and warranties made by CDA and CDA Subco in the Arrangement Agreement that are qualified by the expression “material”, “Material Adverse Change” or “Material Adverse Effect” shall be true and correct as of the date of the Arrangement Agreement and as of the Effective Date as if made on and as of the Effective Date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), and all other representations and warranties made by CDA and CDA Subco in the Arrangement Agreement which are not so qualified shall be true and correct in all material respects as of the date of the Arrangement Agreement and as of the Effective Date as if made on and as of the Effective Date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date);
- from the date of the Arrangement Agreement to the Effective Date, there shall not have occurred a Material Adverse Change in respect of CDA;
- CDA and CDA Subco shall have each complied in all material respects with its covenants herein and CDA shall have provided to BMK a certificate of an officer thereof, certifying that, as of the Effective Date, it has so complied with their covenants herein;
- the CDA Board shall have adopted all necessary resolutions and all other necessary corporate action shall have been taken by CDA to permit the consummation of the Transaction and the transactions to be completed by CDA and CDA Subco pursuant to the terms of the Arrangement Agreement; and
- the Plan of Arrangement shall not have been modified or amended in a manner adverse to BMK without the consent of BMK.

The foregoing conditions are for the benefit of BMK and may be waived, in whole or in part, by BMK in writing at any time.

#### *CDA Conditions*

The obligations of CDA to complete the transactions contemplated by the Arrangement Agreement is subject to the fulfillment of the following additional conditions on or before the Effective Date or such other time as is specified below:

- the BMK Board shall have procured duly executed mutual releases, effective at the Effective Time, from each director and executive officer of BMK, as applicable, who will no longer be serving in such capacity or capacities following completion of the Arrangement;

- the representations and warranties made by BMK in the Arrangement Agreement that are qualified by the expression “material”, “Material Adverse Change” or “Material Adverse Effect” shall be true and correct as of the date of the Arrangement Agreement and as of the Effective Date as if made on and as of the Effective Date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), and all other representations and warranties made by BMK in the Arrangement Agreement which are not so qualified shall be true and correct in all material respects as of the date of the Arrangement Agreement and as of the Effective Date as if made on and as of the Effective Date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date);
- from the date of the Arrangement Agreement to the Effective Date, there shall not have occurred a Material Adverse Change in respect of BMK;
- BMK shall have complied in all material respects with its covenants herein and BMK shall have provided to CDA a certificate of an officer thereof certifying that, as of the Effective Date, BMK has so complied with its covenants herein;
- BMK Shareholders will not have exercised Dissent Rights, or have instituted proceedings to exercise Dissent Rights, in connection with the Arrangement (other than BMK Shareholders representing not more than 5% of BMK Shares, on a fully-diluted basis, then outstanding); and
- the BMK Board shall have adopted all necessary resolutions and all other necessary corporate action shall have been taken by BMK to permit the consummation of the Transaction and the transactions to be completed by BMK pursuant to the terms of the Arrangement Agreement.

The foregoing conditions are for the benefit of CDA and may be waived in whole or in part, by CDA in writing at any time.

### **Completion of the Arrangement**

The Arrangement will become effective at 12:01 a.m. on the date agreed by BMK and CDA in writing following the date upon which all of the conditions to completion of the Arrangement as set out in the Arrangement Agreement and the Final Order have been satisfied or waived, all documents agreed to be delivered thereunder have been delivered to the satisfaction of the recipient, acting reasonably, and the filings required under Section 192 of the CBCA have been filed with the Registrar.

Completion of the Arrangement is expected to occur on or about April 15, 2025; however, it is possible that completion may be delayed beyond this date if the conditions to completion of the Arrangement cannot be met on a timely basis, but in no event shall completion of the Arrangement occur later than the Completion Deadline, unless extended by mutual agreement between BMK and CDA in accordance with the terms of the Arrangement Agreement.

It is anticipated that, to determine the BMK Shareholders of record for the purposes of completing the Arrangement, the deemed Arrangement Record Date will be the effective date of the Arrangement itself.

As such, prior to its completion and after BMK receives confirmation that all conditions to the Arrangement have been satisfied or waived, BMK will provide further notice of all closing details by way of news release. The news release will include, among other things, a listing of all final effective dates (including the deemed Arrangement Record Date) for the Arrangement. BMK anticipates that a trading halt will apply commencing on the trading day immediately prior to the Arrangement Record Date.

## **Termination of the Arrangement Agreement**

### *Termination*

The Arrangement Agreement may be terminated prior to the Effective Time in certain circumstances, as follows:

- upon the mutual agreement of the parties;
- if any of the conditions to the Arrangement for the benefit of the terminating party is not satisfied or waived in accordance with the Arrangement Agreement;
- by either BMK or CDA (on behalf of itself and CDA Subco) in the event that the non-terminating Party is in material breach of any of its respective covenants, representations or warranties set forth under the Arrangement Agreement, which breach, individually or in the aggregate, in the sole opinion of the terminating Party, materially impedes or would reasonably be expected to materially impede, the completion of the Arrangement, subject to the terms of the Arrangement Agreement;
- by CDA if an Acquisition Proposal in respect of BMK has been made or proposed, and any of the following has occurred:
  - the BMK Board has made a change in their recommendation to the BMK Shareholders that they vote in support of the Arrangement Resolution, or if the BMK Board withdraws, qualifies or changes any such recommendation (other than as a result of a Superior Proposal having been received or as required to comply with their respective fiduciary obligations to BMK and the BMK Shareholders);
  - except as permitted under the Arrangement Agreement, the BMK Board has failed, after being requested by CDA in writing, to re-affirm its approval or recommendation of the Arrangement Resolution as promptly as possible (but in any event within five Business Days) after receipt of such written request from CDA; or
  - the BMK Board accepts, approves, recommends or enters into an agreement (other than a confidentiality agreement) in respect of such Acquisition Proposal; or
  - by either CDA or BMK if the Arrangement has not been completed by the Completion Deadline, provided however that if the Arrangement has not been completed by such date because a condition set forth in the Arrangement Agreement to be satisfied or otherwise waived due to the fault of one party, the Party at fault shall not be entitled to terminate this Agreement.

### *Termination Payments*

Upon the occurrence of any of the following events, BMK shall pay CDA the BMK Termination Payment:

- the Arrangement Agreement is terminated by CDA due to the failure of the BMK Board to recommend to the BMK Shareholders that they vote in support of the Arrangement Resolution, or if the BMK Board withdraws, qualifies or changes any such recommendation (other than as a result of a Superior Proposal having been received or as required to comply with their respective fiduciary obligations to BMK and the BMK Shareholders); or
- the Arrangement Agreement is terminated by CDA due to BMK having been in material breach of any of its covenants, representations or warranties set forth in this Agreement which breach, individually or in aggregate, in the sole opinion of CDA, will materially impede or be reasonably expected to materially impede the completion of the Arrangement, subject to the Arrangement Agreement.

### **Amendment Provisions**

The Arrangement Agreement and the Plan of Arrangement may be amended at any time and from time to time before but not later than the Effective Time; provided that any such amendment: (i) is in writing and is agreed to in writing by BMK and CDA; (ii) if required, is filed with the Court.

Any such amendment may, subject to the Interim Order and Final Order and applicable law, without limitation:

- change the time for performance of any of the obligations or acts of BMK and CDA;
- waive any inaccuracies or modify any representation or warranty contained the Arrangement Agreement or in any document delivered pursuant to the Arrangement Agreement;
- waive compliance with or modify any of the covenants in the Arrangement Agreement or waive or modify performance of any of the obligations of BMK or CDA; and/or
- waive compliance with or modify any mutual conditions precedent under the Arrangement Agreement.

However, following the Meeting, the terms of the transfer of assets to CDA or the distribution of CDA Shares to BMK Shareholders cannot be amended without the approval of the BMK Shareholders given in the same manner as required for the approval of the Arrangement or as may be ordered by the Court. The Arrangement Agreement and the Plan of Arrangement may be amended in accordance with the Final Order, but in the event that the terms of the Final Order require any such amendment, certain rights of the parties to the Arrangement Agreement shall remain unaffected.



## **Procedure for Exchange of BMK Shares**

Each BMK Shareholder shall be entitled to receive and CDA shall deliver or cause to deliver to such holder following the Effective Time, a certificate representing the CDA Replacement Shares that such holder is entitled to receive in accordance with the Plan of Arrangement.

No fractional CDA Shares shall be issued to Former BMK Shareholders. The number of CDA Shares to be issued to Former BMK Shareholders or to holders of the BMK Options or BMK Warrants upon due exercise of the BMK Options or BMK Warrants in accordance with their respective terms, as applicable, shall be rounded down to the nearest whole CDA Share.

## **Court Approval of the Arrangement**

An arrangement under the CBCA requires Court approval.

### *Interim Order*

On February 18, 2025, BMK and CDA obtained the Interim Order providing advice and directions as to the the calling and holding of the Meeting, the Dissent Rights and certain other procedural matters. The Interim Order is set out in Schedule "C" to this Information Circular.

### *Final Order*

Subject to the terms of the Arrangement Agreement, and if the Arrangement Resolution is approved by BMK Shareholders at the Meeting in the manner required by the Interim Order, BMK intends to make an application to the Court for the Final Order.

The application for the Final Order approving the Arrangement is currently scheduled for April 4, 2025 at 10:00 am (Toronto time), or as soon thereafter as counsel may be heard, at the Courthouse, 330 University Avenue, Toronto, Ontario, or at any other date and time as the Court may direct. Any BMK Shareholder or any other interested party who wishes to appear or be represented and to present evidence or arguments at that hearing of the application for the Final Order must file and serve a Notice of Appearance no later than 4:00pm (Toronto time) on April 3, 2025 along with any other documents required, all as set out in the Interim Order and the Notice of Application, which are set out in Schedules "D" and "E", respectively, to this Information Circular, and satisfy any other requirements of the Court. Such persons should consult with their legal advisors as to the necessary requirements. In the event that the hearing is adjourned then, subject to further order of the Court, only those persons having previously filed and served a response to the Notice of Application will be given notice of the adjournment.

BMK has been advised by its counsel, Richards Buell Sutton LLP, that the Court has broad discretion under the CBCA when making orders with respect to the Arrangement and that the Court will consider, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement, either as proposed or as amended, on the terms presented or substantially on those terms. Depending upon the nature of any required amendments, BMK may determine not to proceed with the Arrangement.

The CDA Shares to be received by BMK Shareholders pursuant to the Arrangement, and the CDA Shares issuable upon due exercise of the BMK Options and BMK Warrants in accordance with their respective terms after completion of the Arrangement, have not been and will not be

registered under the 1933 Act or the securities laws of any state of the United States and will be issued and distributed respectively in reliance upon the exemption from registration under the 1933 Act provided by Section 3(a)(10) thereof and exemptions provided under the securities laws of each state of the United States in which BMK Shareholders reside. Section 3(a)(10) of the 1933 Act exempts from registration a security that is issued in exchange for outstanding securities, claims or property interests, or partly in such exchange and partly for cash, where the terms and conditions of such issuance and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear, by a court or by a governmental authority expressly authorized by law to grant such approval and to hold such hearing. The Court will be advised at the hearing of the application for the Final Order that if the terms and conditions of the Arrangement, and the fairness thereof, are approved by the Court, pursuant to Section 3(a)(10) thereof, the CDA Shares, and the CDA Shares issuable upon due exercise of the BMK Options and BMK Warrants in accordance with their respective terms after completion of the Arrangement, to be received by BMK Shareholders pursuant to the Arrangement will not require registration under the 1933 Act.

Accordingly, the Final Order of the Court will, if granted, constitute a basis for the exemption from the registration requirements of the 1933 Act with respect to the distribution of CDA Shares in connection with and as a result of the Arrangement. See "*The Meeting – The Arrangement – Regulatory Law Matters and Securities Law Matters – United States Securities Law Matters*" below.

For further information regarding the Court hearing and your rights in connection with the Court hearing, see the form of Notice of Application attached at Schedule "E" to this Circular. The Notice of Application constitutes notice of the Court hearing of the application for the Final Order and is your only notice of the Court hearing.

### **Regulatory Approvals**

BMK has received conditional approval from the TSXV regarding the Arrangement and the subsequent delisting of the BMK Shares. Final approval from the TSXV is conditional upon, among other things, the BMK Shareholders approving the Arrangement Resolution; and receipt of the Final Order.

The CDA Shares are listed and posted for trading on the TSXV. It is a condition of the Arrangement that the TSXV shall have conditionally approved the Arrangement.

### **Regulatory and Securities Law Matters**

Other than the Final Order and the approvals of the TSXV, BMK is not aware of any material approval, consent or other action by any federal, provincial, state or foreign government or any administrative or regulatory agency that would be required to be obtained in order to complete the Arrangement.

In the event that any such approvals or consents are determined to be required, such approvals or consents will be sought, although any such additional requirements could delay the Effective Date or prevent the completion of the Arrangement. While there can be no assurance that any regulatory consents or approvals that are determined to be required will be obtained, BMK currently anticipates that any such consents and approvals that are determined to be required will have been obtained or otherwise resolved by the Effective Date, which, subject to receipt of the BMK Shareholder Approval at the Meeting, receipt of the Final Order and the satisfaction or waiver

of all other conditions specified in the Arrangement Agreement, is expected to be on or about April 15, 2025.

### **Canadian Securities Law Matters**

**Each BMK Shareholder is urged to consult their professional advisors to determine the Canadian conditions and restrictions applicable to trades in the CDA Shares.**

#### *Status under Canadian Securities Laws*

BMK is a reporting issuer in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Quebec and Saskatchewan. The BMK Shares currently trade on the TSXV.

After the Arrangement, BMK will be a wholly-owned subsidiary of CDA Subco, the BMK Shares will be delisted from the TSXV (anticipated to be effective two or three business days following the Effective Date) and CDA expects to apply to the applicable Canadian securities regulators to have BMK cease to be a reporting issuer.

#### *Distribution of CDA Shares under Canadian Securities Laws*

The CDA Shares received pursuant to the Arrangement will not be legended and may be resold through registered dealers in each of the provinces of Canada provided that (i) the trade is not a “control distribution” as defined National Instrument 45-102 *Resale of Securities* of the Canadian Securities Administrators, (ii) no unusual effort is made to prepare the market or to create a demand for the CDA Shares, as the case may be, (iii) no extraordinary commission or consideration is paid to a person or company in respect of such sale, and (iv) if the selling security holder is an insider or officer of CDA, as the case may be, the selling security holder has no reasonable grounds to believe that CDA is in default of applicable Canadian securities laws.

#### *Multilateral Instrument 61-101*

The Ontario Securities Commission has adopted MI 61-101 which govern transactions which raise the potential for conflicts of interest, including issuer bids, insider bids, related party transactions and business combinations.

The Arrangement does not constitute an issuer bid, an insider bid or a related party transaction for the purposes of MI 61-101. In assessing whether the Arrangement could be considered to be a “business combination” for the purposes of MI 61-101, the BMK Board reviewed, with its legal counsel, all payments and benefits which related parties of BMK are entitled to receive, directly or indirectly, as a consequence of the Arrangement to determine whether any constituted a “collateral benefit” (as defined in MI 61-101). For these purposes, the BMK Board determined that none of BMK’s related parties will receive a collateral benefit as a consequence of the Arrangement.

Accordingly, none of these payments is a “collateral benefit” for the purposes of MI 61-101 and the Arrangement Resolution is not subject to the minority approval requirements of MI 61-101.

### **Fees and Expenses**

Upon completion of the Arrangement, all liabilities of BMK immediately prior to such completion will be assumed by Amalco, and CDA, as parent company of Amalco, will be ultimately

responsible for such liabilities. Further, CDA has agreed that the costs and expenses of BMK relating to the Arrangement will be paid or reimbursed from the proceeds of the Concurrent Financing.

### Interests of Certain Persons in the Arrangement

In considering the recommendation of the BMK Board with respect to the Arrangement, BMK Shareholders should be aware that certain members of BMK's senior management and the BMK Board have certain interests in connection with the Arrangement that may present them with actual or potential conflicts of interest in connection with the Arrangement.

#### *Directors and Executive Officers*

The BMK directors and executive officers hold, in the aggregate: (a) 1,471,000 BMK Shares, representing approximately 3.06% of the BMK Shares outstanding on the Meeting Record Date; (b) 1,234,000 BMK Options, representing approximately 64.4% of the BMK Options outstanding on the Meeting Record Date; and (c) 1,200,000 BMK Warrants, representing approximately 6.28% of the BMK Warrants outstanding on the Meeting Record Date, as is more fully described in the following table:

Name	Position	BMK Shares	BMK Options	BMK Warrants
Michael England	CEO and Director	900,000	250,000	900,000 <sup>1</sup>
Fiona Fitzmaurice	CFO	310,000	310,000	300,000 <sup>2</sup>
Stuart Adair	Director	261,134	354,000	Nil
Kevin Tanas	Director	Nil	320,000	Nil
<b>TOTAL</b>		<b>1,471,134</b>	<b>1,234,000</b>	<b>1,200,000</b>

Notes:

1. Michael England holds his warrants through England Communications Ltd.
2. Fiona Fitzmaurice holds her warrants through Longford Consulting Inc.

All of the BMK Securities held by the directors and executive officers will be treated in the same fashion under the Arrangement as BMK Securities held by every other BMK Securityholder.

Pursuant to a consulting agreement dated September 1, 2020 between BMK and Ms. Fitzmaurice, the CFO of BMK, Ms. Fitzmaurice will be entitled to termination pay of \$120,000 and the immediate vesting of any BMK Options held directly or indirectly by her.

### Risks Associated with the Arrangement

In evaluating the Arrangement, BMK Shareholders should carefully consider the following risk factors relating to the Arrangement. The following risk factors are not a definitive list of all risk factors associated with the Arrangement. Additional risks and uncertainties, including those currently unknown or considered immaterial by BMK, may also adversely affect BMK, CDA or the CDA Shares following the Arrangement. If any of the risk factors materialize, the expectations, and the predictions based on them, may need to be re-evaluated.

*The Arrangement Agreement may be terminated in certain circumstances, including in the event of a change having a material adverse effect on BMK.*

Each of BMK and CDA has the right to terminate the Arrangement Agreement in certain circumstances. Accordingly, there is no certainty, nor can BMK provide any assurance, that the Arrangement Agreement will not be terminated by either BMK or CDA before the completion of the Arrangement. For example, CDA has the right, in certain circumstances, to terminate the

Arrangement Agreement if changes occur that, in the aggregate, have a Material Adverse Effect on BMK, there is no assurance that a change having a Material Adverse Effect on BMK will not occur before the Effective Date, in which case, CDA could elect to terminate the Arrangement Agreement and the Arrangement will not proceed.

*There can be no certainty that all conditions precedent to the Arrangement will be satisfied.*

The completion of the Arrangement is subject to a number of conditions precedent, certain of which are outside the control of BMK, including receipt of the Final Order. There can be no certainty, nor can BMK provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. If the Arrangement is not completed, the market price of the BMK Shares may decline to the extent that the current market price reflects a market assumption that the Arrangement will be completed. If the Arrangement is not completed and the BMK Board decides to seek another merger or arrangement, there can be no assurance that it will be able to find a party willing to pay an equivalent or more attractive price than the total consideration to be paid pursuant to the Arrangement.

*BMK will incur costs and may have to pay a Termination Payment.*

Certain costs related to the Arrangement, such as legal, accounting and certain financial advisor fees, must be paid by BMK even if the Arrangement is not completed. BMK and CDA are each liable for their own costs incurred in connection with the Arrangement.

If the Arrangement is not completed, BMK may be required to pay CDA the CDA Termination Payment. See “*The Arrangement – Termination – Termination Payments*”.

*The market price for the BMK Shares may decline.*

If the Arrangement is not approved by the BMK Shareholders, the market price of the BMK Shares may decline to the extent that the current market price of the BMK Shares reflects a market assumption that the Arrangement will be completed. If the Arrangement Resolution is not approved and the BMK Board decides to seek another merger or Arrangement, there can be no assurance that it will be able to find a party willing to pay an equivalent or more attractive price than the total consideration to be paid pursuant to the Arrangement.

## **DISSENT RIGHTS**

**BMK Shareholders who wish to dissent should take note that strict compliance with the Interim Order and applicable Dissent Procedures is required.**

The following description of the Dissent Rights of Dissenting Holders is not a comprehensive statement of the procedures to be followed by a Dissenting Holder who seeks payment of the fair value of its BMK Shares, and is qualified in its entirety by reference to the full text of the Interim Order and Section 190 of the CBCA which is attached to this Information Circular as Schedule “C”. A Dissenting Holder who intends to exercise the Dissent Rights should carefully consider and comply with the provisions of Sections 190 of the CBCA, as modified by the Interim Order and the Final Order. **Failure to comply strictly with the provisions of the CBCA, as modified by the Interim Order and the Final Order, and to adhere to the procedures established therein may result in the loss of all rights thereunder.**

The Court, upon hearing the application for the Final Order has the discretion to alter the Dissent Rights described herein based on the evidence presented at such hearing.

Pursuant to the Interim Order, Dissenting Holders (defined for the purposes of the Interim Order and this Information Circular as being registered holders of BMK Shares) may exercise Dissent Rights under Section 190 of the CBCA, as modified by the Interim Order and the Final Order, with respect to BMK Shares in connection with the Arrangement, provided that the written notice of dissent to the Arrangement Resolution must be sent to BMK by BMK Shareholders who wish to dissent at least two days before the Meeting or any postponements or adjournments thereof and provided further that holders who exercise such Dissent Rights and who:

- (a) are ultimately entitled to be paid fair value for their BMK Shares, determined as at the point in time immediately before the passing by the BMK Shareholders of the Arrangement Resolution, shall be paid an amount equal to such fair value by CDA; and
- (b) are ultimately not entitled, for any reason, to be paid fair value for their BMK Shares shall be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-dissenting BMK Shareholder and shall be entitled to receive only the consideration contemplated under the Plan of Arrangement that such holder would have received pursuant to the Arrangement if such holder had not exercised Dissent Rights.

In no case shall CDA, BMK or any other person be required to recognize Dissenting Holders as BMK Shareholders after the time that is immediately prior to the Effective Time, and the names of such Dissenting Holders shall be deleted from the central securities register at the Effective Time and CDA shall be recorded as the registered holder of the BMK Shares in respect of which Dissent Rights have been exercised and shall be deemed to be the legal owner of such BMK Shares.

Non-registered holders of BMK Shares who wish to dissent with respect to their BMK Shares should be aware that only registered BMK Shareholders are entitled to dissent. A registered BMK Shareholder such as an intermediary who holds BMK Shares as nominee for non-registered holders of BMK Shares, some of whom wish to dissent, must exercise Dissent Rights on behalf of such non-registered holders of BMK Shares with respect to the BMK Shares held for such non-registered holders of BMK Shares. In such case, the Notice of Dissent must set forth the number of BMK Shares in respect of which the Dissent Rights are being exercised on behalf of the non-registered holders of BMK Shares.

A BMK Shareholder is not entitled to dissent with respect to any of its BMK Shares if the BMK Shareholder votes any of its BMK Shares in favour of the Arrangement Resolution or otherwise acts in a manner inconsistent with the exercise of such BMK Shareholder's Dissent Rights.

The Plan of Arrangement provides that Dissenting Holders who duly exercise Dissent Rights with respect to their BMK Shares and who are ultimately entitled to be paid fair value for those shares will be deemed to have transferred their Dissent Shares to CDA at the Effective Time in consideration for the fair value for the Dissent Shares. If the Dissenting Holder is not so entitled, for any reason, to be paid fair value for its Dissent Shares, it will be deemed to have participated in the Arrangement on the same basis as a non-dissenting BMK Shareholder and will receive CDA Shares in exchange for their BMK Shares on the same basis as every other non-dissenting BMK Shareholder. In no case, however, will BMK or CDA be required to recognize such persons as holding BMK Shares on or after the Effective Time.

If a BMK Shareholder exercises its Dissent Right, CDA will at the Effective Time set aside the CDA Shares which are attributable under the Arrangement to the BMK Shares for which Dissent Rights have been exercised. If the holder of the BMK Shares is ultimately not entitled to be paid fair value for their Dissent Shares in accordance with the Plan of Arrangement, they will be deemed to have participated in the Arrangement on the same basis as the non-dissenting BMK Shareholders and CDA will cause to be distributed to such BMK Shareholder the CDA Shares that the BMK Shareholder is entitled to receive pursuant to the terms of the Arrangement. If a Dissenting Holder duly complies with the Dissent Procedures and is ultimately entitled to be paid fair value for their Dissent Shares such BMK Shareholder will be paid the fair value of the Dissent Shares.

### **Exercise of Dissent Rights**

Each BMK Shareholder is deemed by the Interim Order to have received a copy of the Information Circular (including the Interim Order) on the day it is mailed by BMK or provided to intermediaries and registered nominees. A BMK Shareholder may exercise Dissent Rights conferred by the Interim Order in the manner set out in Section 190 of the CBCA, as modified by the Interim Order with respect to the Arrangement, provided that the BMK Shareholder must send to BMK, at the address noted below under "Address for Notice of Dissent", a written Notice of Dissent, (i) by ordinary mail or registered mail; or (ii) by physical delivery, which notice of dissent must be received by BMK no later than 2:00 p.m. (Vancouver time) on the date which is two days prior to the date of the Meeting.

After the Arrangement Resolution is approved by the BMK Shareholders, and if BMK notifies the Dissenting Holder of its intention to act upon the Arrangement Resolution pursuant to Section 190 of the CBCA, the Dissenting Holder is then required within one month after BMK gives such notice, to send to BMK a written notice that such holder requires it to purchase all of the BMK Shares in respect of which such holder has given notice of dissent, together with the certificate or certificates representing any such BMK Shares (including a written statement prepared in accordance with Section 190 of the CBCA if the dissent is being exercised by the BMK Shareholder on behalf of a non-registered BMK Shareholder) whereupon the Dissenting Holder is bound to sell and CDA is bound to purchase those BMK Shares.

BMK and a Dissenting Holder may agree on the fair value of the Dissent Shares. In the absence of any such agreement, a Dissenting Holder who has duly complied with the aforementioned provisions of the Interim Order and Section 190 of the CBCA, or BMK, may apply to the Court for an order fixing the fair value of the Dissent Shares or ordering that such fair value be determined by arbitration or appraisers pursuant to Section 190(21) the CBCA, or a referee of the Court, and the Court may make such order and such consequential orders or directions as the Court considers appropriate. There is no obligation on BMK to make application to the Court. The Dissenting Holder will be entitled to receive the fair value that the Dissent Shares had immediately before the passing of the Arrangement Resolution.

### **Address for Notice of Dissent**

All Notices of Dissent must be received by BMK no later than 2:00 p.m. (Vancouver time) on the date which is two days prior to the date of the Meeting at the following address:

MacDonald Mines Exploration Ltd.  
700 – 401 West Georgia Street  
Vancouver, BC V6B 5A1

Attention: Michael England  
CEO and director

### **Strict Compliance with Dissent Provisions Required**

The foregoing summary does not purport to provide a comprehensive statement of the procedures to be followed by a Dissenting Holder who seeks payment of the fair value of its Dissent Shares. Section 190 of the CBCA requires strict adherence to the procedures established therein and failure to do so may result in the loss of all rights. Accordingly, each BMK Shareholder who might desire to exercise the Dissent Rights should carefully consider and comply with the provisions of the Interim Order attached as Schedule "D" hereto, and Section 190 of the CBCA, the full text of which is set out in Schedule "C" hereto, and consult such holder's legal advisor.

If, as of the Effective Date, the aggregate number of BMK Shares in respect of which BMK Shareholders have duly and validly exercised Dissent Rights exceeds 5% of the BMK Shares then outstanding, CDA is entitled, in its discretion, to not complete the Arrangement. See "*The Meeting - The Arrangement - The Business Combination Agreement - Conditions to the Arrangement Becoming Effective*".

### **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

The following is a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to a BMK Shareholder who, for purposes of the Tax Act, holds BMK Shares, and will hold any CDA Shares acquired pursuant to the Arrangement, as capital property, deals at arm's length with each of BMK and CDA, is not affiliated with BMK or CDA, and who disposes of BMK Shares pursuant to the Arrangement (a "**Holder**"). BMK Shares and CDA Shares generally will be considered capital property to a Holder for purposes of the Tax Act unless such Holder holds such shares in the course of carrying on a business of buying and selling securities or has acquired or holds them in a transaction or transactions considered to be an adventure or concern in the nature of trade.

This summary is based on the current provisions of the Tax Act in force on the date hereof, and counsel's understanding of the current published administrative policies and assessing practices of the CRA. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and assumes that all Tax Proposals will be enacted in the form proposed. However, there is no certainty that the Tax Proposals will be enacted in the form currently proposed, or at all. The summary does not otherwise take into account or anticipate any changes in law, whether by judicial, governmental or legislative decision or action, or other changes in administrative policies or assessing practices of the CRA, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may materially differ from Canadian federal income tax legislation or considerations.

This summary does not apply to a Holder (i) that is a "financial institution" for the purposes of the market-to-market rules in the Tax Act, (ii) that is a "specified financial institution" (as defined in the Tax Act), (iii) an interest in which would be a "tax shelter" or a "tax shelter investment", each as defined in the Tax Act, (iv) that has elected to report its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian currency, (v) that holds BMK Shares or will hold CDA Shares as part of a "dividend rental arrangement" as defined in the Tax Act, or (vi) that is



exempt from tax under Part I of the Tax Act. This summary also does not apply to a Holder who has entered into or will enter into a “derivative forward agreement” or “synthetic disposition arrangement” (as defined in the Tax Act) with respect to BMK Shares or CDA Shares.

In addition, this summary does not address the tax considerations relevant to BMK Shareholders who acquired their shares on the exercise of an employee stock option. Such BMK Shareholders should consult their own tax advisors.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal, business or tax advice to any particular Holder. Accordingly, Holders should consult their own tax advisors with respect to their particular circumstances, including the application and effect of the income and other tax laws of any country, province, state or local tax authority.

### **Shareholders Resident in Canada**

The following portion of this summary is applicable to Holders who acquire CDA Shares on the amalgamation of BMK and CDA Subco pursuant to the Arrangement (each, a “**Resident Holder**”). Certain Resident Holders may be entitled to make or may have already made the irrevocable election permitted by subsection 39(4) of the Tax Act, the effect of which may be to deem to be capital property any BMK Shares and CDA Shares (and all other “Canadian securities”, as defined in the Tax Act) owned by such Resident Holder in the taxation year in which the election is made and in all subsequent taxation years.. Resident Holders contemplating such an election should first consult their own tax advisors.

### ***Exchange of BMK Shares for CDA Shares on the Amalgamation of BMK and CDA Subco***

A Resident Holder who receives CDA Shares in exchange for BMK Shares on the amalgamation of BMK and CDA Subco pursuant to the Arrangement will not realize a capital gain (or capital loss) as a result of the exchange.. The Resident Holder will be considered to have disposed of its BMK Shares for proceeds of disposition equal to its adjusted cost base of the BMK Shares immediately before the Amalgamation and to have acquired the CDA Shares at an aggregate cost equal to its adjusted cost base of the BMK Shares immediately before the Amalgamation.

The adjusted cost base of the CDA Shares to a Resident Holder at any particular time will be determined by averaging the cost of such shares with the adjusted cost base to the Resident Holder of all other CDA Shares, if any, owned by the Resident Holder as capital property at such time.

### ***Dividends on CDA Shares***

A Resident Holder will be required to include in computing their income for a taxation year any dividends received (or deemed to be received) on CDA Shares. In the case of a Resident Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit applicable to any dividends designated by CDA as an “eligible dividend” in accordance with the provisions of the Tax Act.

A dividend received (or deemed to be received) by a Resident Holder that is a corporation will generally be deductible in computing the corporation’s taxable income. However, in certain circumstances and pursuant to certain rules in the Tax Act, a taxable dividend received (or deemed to be received) by a Resident Holder that is a corporation may be deemed to be a gain

from the disposition of capital property or proceeds of disposition potentially giving rise to a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own particular circumstances.

A Resident Holder that is a “private corporation” (as defined in the Tax Act) or any other corporation controlled, whether because of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), will generally be liable to pay a refundable tax under Part IV of the Tax Act on dividends received (or deemed to be received) on the CDA Shares to the extent such dividends are deductible in computing the Resident Holder’s taxable income for the taxation year.

### **Disposition of CDA Shares**

A Resident Holder that disposes or is deemed to dispose of a CDA Share in a taxation year (other than to CDA, unless purchased by CDA in the open market in the manner normally purchased by a member of the public in the open market) generally will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition of the CDA Share, exceed (or are less than) the aggregate of the Resident Holder’s adjusted cost base of such CDA Share (determined immediately before the disposition) and any reasonable costs of disposition. See “*Taxation of Capital Gains and Capital Losses*” below.

### ***Taxation of Capital Gains and Capital Losses***

Generally, a Resident Holder is required to include in computing income for a taxation year one-half of the amount of any capital gain (a “**taxable capital gain**”) realized in the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) realized in a taxation year from taxable capital gains realized in the year by such Resident Holder. Allowable capital losses in excess of taxable capital gains realized in a year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any following taxation year against net taxable capital gains realized in such year, to the extent and under the circumstances described in the Tax Act.

Pursuant to Tax Proposals announced in the Federal Budget on April 16, 2024 (the “**Budget 2024 Tax Proposals**”) which were introduced in Parliament on June 10, 2024 by way of a “Notice of Ways and Means Motion to introduce an Act to amend the Income Tax Act and the Income Tax Regulations”, subject to certain transitional rules, the portion of a capital gain included in a taxable capital gain will be increased from one-half to two-thirds in respect of (i) dispositions realized by a Resident Holder that is an individual (excluding a trust) on or after January 1, 2026 (initially June 25, 2024, but on January 31, 2025 the Minister of Finance and Intergovernmental Affairs announced the deferral of the Budget 2024 Tax Proposals to January 1, 2026), for the portion of capital gains realized in the year that exceed \$250,000 (net of current-year capital losses, capital losses of other years applied to reduce current-year capital gains and capital gains subject to certain statutory exemptions and incentives), and (ii) dispositions realized by a Resident Holder that is a corporation or trust on or after January 1, 2026 (again, initially June 25, 2024, but on January 31, 2025 the Minister of Finance and Intergovernmental Affairs announced the deferral of the Budget 2024 Tax Proposals to January 1, 2026). Under the Budget 2024 Tax Proposals, two-thirds of capital losses (including capital losses realized prior to June 25, 2024) will be deductible against capital gains included in income at the two-thirds inclusion rate such that a capital loss will offset an equivalent capital gain regardless of the inclusion rate. **Resident Holders are advised to consult their own tax advisors with regard to the Budget 2024 Tax Proposals.**

The foregoing summary only generally describes the considerations applicable under the Budget 2024 Tax Proposals and is not an exhaustive summary of the considerations that could arise in respect of the Budget 2024 Tax Proposals. Furthermore, the Budget 2024 Tax Proposals could be subject to further changes. On January 6, 2025, Parliament was prorogued and the Budget 2024 Tax Proposals lapsed. On January 31, 2025, the Department of Finance Canada announced its intention to defer the date on which the capital gains inclusion rate would increase from one-half to two-thirds from June 25, 2024 to January 1, 2026. As of the date hereof, it is uncertain if the Budget 2024 Tax Proposals will be re-introduced and enacted in its current form or at all. Resident Holders should consult their own tax advisors with regard to the Budget 2024 Tax Proposals.

The amount of any capital loss realized on the disposition or deemed disposition of CDA Shares by a Resident Holder that is a corporation may, in certain circumstances, be reduced by the amount of dividends received or deemed to have been received by it on such CDA Shares. Similar rules may apply where a Resident Holder that is a corporation is a member of a partnership or a beneficiary of a trust that owns CDA Shares or where a partnership or trust, of which a corporation is a member or a beneficiary, is a member of a partnership or a beneficiary of a trust that owns CDA Shares. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

#### ***Additional Refundable Tax on Canadian-Controlled Private Corporations and Substantive CCPCs***

A Resident Holder that is, throughout the relevant taxation year, a “Canadian-controlled private corporation” (as defined in the Tax Act) or that is, at any time in the year, a “substantive CCPC (as defined in the Tax Act) may be liable to pay an additional tax (refundable in certain circumstances) on certain investment income, including any dividends or deemed dividends that are not deductible in computing the Resident Holder’s taxable income and amounts in respect of net taxable capital gains. **Resident Holders should consult their own tax advisors in this regard.**

#### ***Minimum Tax***

Capital gains realized or dividends received or deemed to be received by individuals and certain trusts may give rise to liability for the alternative minimum tax under the Tax Act. **Resident Holders should consult their own tax advisors in this regard.**

#### ***Dissenting Resident Holders***

Pursuant to CRA’s current administrative position and practices, a Resident Holder who exercises the right to dissent under the CBCA as described in this Information Circular generally will be considered to have disposed of its BMK Shares in exchange for proceeds of disposition equal to the amount paid by Amalco for such BMK Shares, less the amount of any interest awarded by the court. A dissenting Resident Holder will realize a capital gain (or capital loss) in the amount by which such proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the dissenting Resident Holder’s adjusted cost base of such BMK Shares. Such capital gain (or capital loss) generally will be subject to the tax treatment described above under the heading “*Taxation of Capital Gains and Capital Losses*”. Any interest awarded by a court to a dissenting Resident Holder will be included in such holder’s income.

## **Eligibility for Investment**

CDA Shares, provided they are listed on a designated stock exchange as defined in the Tax Act (which currently includes the TSXV – Tiers 1 and 2), will be qualified investments under the Tax Act for a trust governed by registered retirement savings plans (“**RRSPs**”), registered retirement income funds (“**RRIFs**”), registered disability savings plans (“**RDSPs**”), registered education savings plans (“**RESPs**”), first home savings accounts (“**FHSAs**”), tax free savings accounts (“**TFSA**s” and, together with RRSPs, RRIFs, RDSPs, RESPs and FHSAs, “**Registered Plans**”), and deferred profit sharing plans.

Notwithstanding that CDA Shares may be qualified investments for Registered Plans, the holder of a TFSA, FHSA or RDSP, subscriber of an RESP or the annuitant under an RRSP or RRIF will be subject to a penalty tax if the CDA Shares are a “prohibited investment” (as defined in the Tax Act) for the particular Registered Plan. CDA Shares generally will not be a prohibited investment for a Registered Plan provided the holder of a TFSA, FHSA or RDSP, subscriber of an RESP or the annuitant under an RRSP or RRIF, as the case may be, (i) deals at arm’s length with CDA for purposes of the Tax Act and (ii) does not have a “significant interest” (as defined in the Tax Act) in CDA. In addition, CDA Shares will not be a prohibited investment for a Registered Plan if such shares are “excluded property” (as defined in the Tax Act) for such Registered Plan. Holders to whom these rules may be relevant should consult their own tax advisors as to whether CDA Shares would be a prohibited investment for a Registered Plan in their particular circumstances.

## **Non-Residents of Canada**

This part of the summary is applicable to a Holder, who, for purposes of the Tax Act and any applicable income tax treaty, has not been and will not be resident or deemed to be resident in Canada at any time while it has held or will hold BMK Shares or CDA Shares and who does not use or hold, will not use or hold and is not and will not be, deemed to use or hold such BMK Shares or CDA Shares in carrying on a business in Canada (a “**Non-Resident Holder**”). Special rules, which are not discussed in this summary, may apply to a non-resident that is an insurer carrying on business in Canada and elsewhere.

### ***Exchange of BMK Shares for CDA Shares on the Amalgamation of BMK and CDA Subco***

A Non-Resident Holder who, pursuant to the Arrangement, exchanges BMK Shares for CDA Shares will not realize a capital gain (or capital loss) as a result of the exchange. The Non-Resident Holder will be considered to have disposed of its BMK Shares for proceeds of disposition equal to the Non-Resident Holder’s adjusted cost base of the BMK Shares immediately before the Amalgamation, and to have acquired the CDA Shares at an aggregate cost equal to the Non-Resident Holder’s adjusted cost base of the BMK Shares immediately before the Amalgamation.

If any BMK Shares held by a Non-Resident Holder are, or are deemed to be, taxable Canadian property to such Non-Resident Holder, the CDA Shares received by the Non-Resident Holder on the Amalgamation will be deemed to be taxable Canadian property to such Non-Resident Holder in accordance with the rules in the Tax Act.

Generally, a BMK Share will not be “taxable Canadian property” of a Non-Resident Holder at a particular time provided that such share is listed on a designated stock exchange as defined in the Tax Act (which includes the TSXV – Tiers 1 and 2) at that time, unless at any time during the 60-month period immediately preceding the particular time (a) the Non-Resident Holder, persons with whom the Non-Resident Holder did not deal at arm’s length, partnerships in which the Non-

Resident Holder or a non-arm's length person holds a membership interest directly or indirectly through one or more partnerships, or the Non-Resident Holder together with such persons or partnerships, owned 25% or more of the issued shares of any class or series of shares of BMK, and (b) more than 50% of the fair market value of the BMK Share was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties" (as defined in the Tax Act), "timber resource properties" (as defined in the Tax Act), and options in respect of, or interests in, or for civil law rights in, any such properties (whether or not such property exists). ). Notwithstanding the foregoing, BMK Shares may otherwise in certain circumstances be deemed to be taxable Canadian property to the Non-Resident Holder for the purposes of the Tax Act.

**Non-Resident Holders whose BMK Shares and CDA Shares may constitute taxable Canadian property are urged to consult their own tax advisors for advice having regard to their particular circumstances.**

### ***Disposition of CDA Shares***

A Non-Resident Holder who holds CDA Shares that are not "taxable Canadian property" will not be subject to tax under the Tax Act on the disposition of such CDA Shares (other than a disposition to CDA in circumstances other than a purchase by CDA in the open market in the manner in which shares are normally purchased by a member of the public in the open market). The circumstances in which CDA Shares may constitute "taxable Canadian property" will be the same as described above under "*Non-Residents of Canada - Exchange of BMK Shares for CDA Shares on the Amalgamation of BMK and CDA Subco*".

Even if CDA Shares are considered to be "taxable Canadian property" to a Non-Resident Holder, a taxable capital gain resulting from the disposition of CDA Shares will not be included in computing the Non-Resident Holder's income for purposes of the Tax Act if the CDA Shares constitute "treaty-protected property". CDA Shares owned by a Non-Resident Holder will generally be "treaty-protected property" if the gain from the disposition of such property would, because of an applicable income tax treaty or convention, be exempt from tax under Part I of the Tax Act. Non-Resident Holders who hold CDA Shares that are or may be "taxable Canadian property" (including with regard to the discussion above under "*Non-Residents of Canada - Exchange of CDA Shares for CDA Shares on the Amalgamation of BMK and CDA Subco*") are urged to consult their own advisors as to the Canadian income tax consequences of disposing of their CDA Shares acquired pursuant to the Amalgamation.

In the event that CDA Shares constitute taxable Canadian property but not "treaty-protected property" to a particular Non-Resident Holder, the tax consequences as described above under "*Shareholders Resident in Canada — Taxation of Capital Gains and Capital Losses*" will generally apply. A Non-Resident Holder who disposes of taxable Canadian property is urged to consult such Non-Resident Holder's own tax advisors regarding any resulting Canadian reporting requirements.

### ***Dividends on CDA Shares***

Dividends paid or credited, or deemed to be paid or credited, on a Non-Resident Shareholder's CDA Shares will be subject to withholding tax under the Tax Act at a rate of 25% unless the rate is reduced under the provisions of an applicable income tax treaty or convention. In the case of a beneficial owner of dividends who is a resident of the United States for purposes of the *Canada-*



*US Tax Convention (1980)* and who is entitled to the benefits of that treaty, the rate of withholding will generally be reduced to 15%.

### ***Dissenting Non-Resident Holders***

Pursuant to CRA's current administrative position and practices, a Non-Resident Holder who exercises the right to dissent under the CBCA as described in this Information Circular generally will be considered to have disposed of such holder's BMK Shares in exchange for proceeds of disposition equal to the amount paid by Amalco for such BMK Shares, less the amount of any interest awarded by the court. A dissenting Non-Resident Holder will realize a capital gain (or capital loss) in the amount by which such proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the dissenting Non-Resident Holder's adjusted cost base of such BMK Shares. A dissenting Non-Resident Holder who realizes such a capital gain will not be subject to tax under the Tax Act in respect of such capital gain unless such BMK Shares constitute "taxable Canadian property" other than "treaty-protected property" (each defined in the Tax Act). The circumstances in which BMK Shares may constitute taxable Canadian property generally will be the same as described above under the heading "Non-Residents of Canada – Exchange of BMK Shares for CDA Shares on the Amalgamation of BMK and CDA Subco". If BMK Shares constitute "taxable Canadian property" but not "treaty-protected property" to a particular dissenting Non-Resident Holder, then the tax consequences as described above under the heading "Residents of Canada - Taxation of Capital Gains and Capital Losses" will generally apply to capital gains and capital losses realized in respect of such BMK Shares. Any interest awarded by a court to a dissenting Non-Resident Holder will not be subject to Canadian withholding tax.

**Dissenting Non-Resident Holders should consult with their own tax advisors with respect to the Canadian federal income tax considerations of exercising their Dissent Rights.**

## **OTHER INFORMATION**

### **Indebtedness of Directors and Executive Officers**

At no time during the financial year ended December 31, 2023 or within 30 days of the date of this Information Circular has any director, officer or employee, or former director, officer or employee, of BMK, or any associate or affiliate of any such director, officer or employee, been indebted to BMK.

### **Other Matters**

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

### **APPROVAL OF DIRECTORS**

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

Dated at Vancouver, British Columbia, on February 19, 2025.

#### **BY ORDER OF THE BOARD**

(Signed) "*Michael England*"

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Michael England  
CEO and director

**SCHEDULE "A"**  
**PLAN OF ARRANGEMENT**

- See attached -



**PLAN OF ARRANGEMENT  
UNDER SECTION 192 OF THE  
CANADA BUSINESS CORPORATIONS ACT**

**ARTICLE 1  
DEFINITIONS AND INTERPRETATION**

**Definitions**

1.1 In this Plan of Arrangement, unless the context otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the meanings ascribed to them below:

- (a) “**Amalco**” means the corporation formed upon the amalgamation of CDA Subco and BMK pursuant to the Arrangement;
- (b) “**Amalgamation**” means has the meaning ascribed thereto in Section 3.1(b);
- (c) “**Arrangement**” means the arrangement under section 192 of the CBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Section 2.14 of the Arrangement Agreement or this Plan of Arrangement at the direction of the Court;
- (d) “**Arrangement Agreement**” means the arrangement agreement dated as of February 4, 202 between CDA and CDA Subco and BMK, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof;
- (e) “**Arrangement Resolution**” means the special resolution of the BMK Shareholders, approving the Arrangement to be considered at the BMK Meeting substantially in the form and content of Schedule “A” to the Arrangement Agreement;
- (f) “**Articles of Arrangement**” the articles of arrangement in respect of the Arrangement required in accordance with the CBCA to be sent to the Director after the Final Order has been granted, giving effect to the Arrangement;
- (g) “**BMK**” means MacDonald Mines Exploration Ltd.;
- (h) “**BMK Meeting**” means the special meeting of BMK Shareholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order to consider, among other things, the Arrangement Resolution;
- (i) “**BMK Options**” means the outstanding options to purchase BMK Shares upon payment of additional cash consideration;

- (j) “**BMK Shareholders**” means, collectively, the holders of BMK Shares;
- (k) “**BMK Shares**” means the issued and outstanding class A common shares of BMK;
- (l) “**BMK Warrants**” means the outstanding share purchase warrants entitling holders to acquire BMK Shares of BMK upon payment of additional cash consideration;
- (m) “**Business Day**” means any day other than a Saturday, a Sunday or a statutory or civic holiday in Toronto, Ontario;
- (n) “**Canadian Resident**” means a beneficial owner of BMK Shares immediately prior to the Effective Time who is a resident of Canada for purposes of the Tax Act and any applicable income tax treaty or convention (other than a Tax Exempt person), or a partnership any member of which is a resident of Canada for the purposes of the Tax Act and any applicable income tax treaty or convention (other than a Tax Exempt person);
- (o) “**CBCA**” means the *Canada Business Corporations Act* and the regulations made thereunder, as promulgated or amended from time to time;
- (p) “**CDA**” means Canuc Resources Corporation;
- (q) “**CDA Replacement Shares**” means the CDA Shares to be received by the BMK Shareholders pursuant to the Plan of Arrangement in consideration for their BMK Shares, and CDA Replacement Shares underlying the BMK Options and BMK Warrants upon completion of the Arrangement;
- (r) “**CDA Shares**” means the common shares in the capital of CDA;
- (s) “**CDA Subco**” means 16712371 Canada Inc., a wholly-owned subsidiary of CDA for purposes of the Arrangement;
- (t) “**Certificate of Arrangement**” certificate of arrangement issued by the Director pursuant to subsection 192(7) of the CBCA in respect of the Articles of Arrangement;
- (u) “**Court**” means the Ontario Superior Court Justice (Commercial List);
- (v) “**Director**” means the Director appointed pursuant to Section 260 of the CBCA.
- (w) “**Dissent Rights**” has the meaning ascribed thereto in Section 4.1;
- (x) “**Dissenting Shareholder**” means a registered holder of BMK Shares who dissents in respect of the Arrangement in strict compliance with the Dissent Rights and who is ultimately entitled to be paid fair value for their BMK Shares;
- (y) “**Effective Date**” means the date set out in the Certificate of Arrangement as being the effective date in respect of the Arrangement;
- (z) “**Effective Time**” means 12:01 a.m. (Toronto, Ontario time) on the Effective Date;

- (aa) “**Eligible Holder**” means: (i) a Canadian Resident, or (ii) an Eligible Non-Resident;
- (bb) “**Eligible Non-Resident**” means a beneficial owner of BMK Shares immediately prior to the Effective Time who is not, and is not deemed to be, a resident of Canada for purposes of the Tax Act and any applicable income tax treaty or convention and whose BMK Shares are “**taxable Canadian property**” and not “**treaty-protected property**”, in each case as defined in the Tax Act;
- (cc) “**Final Order**” means the final order of the Court pursuant to section 192 of the CBCA in form acceptable to BMK and CDA and CDA Subco, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement, approving the Arrangement as such order may be amended by the Court with the consent of the Parties at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;
- (dd) “**Former BMK Shareholders**” means the holders of BMK Shares immediately prior to the Effective Time;
- (ee) “**Interim Order**” means the interim order of the Court in a form acceptable to BMK and to CDA, acting reasonably, as contemplated by Section 2.4 of the Arrangement Agreement, providing for, among other things, the calling and holding of the BMK Meeting, as the same may be amended by the Court with the consent of BMK and CDA, each acting reasonably;
- (ff) “**Parties**” means, BMK, CDA and CDA Subco; and “**Party**” means any of them;
- (gg) “**Plan of Arrangement**” means this plan of arrangement and any amendments or variations hereto made in accordance with Section 2.3 of the Arrangement Agreement or this plan of arrangement or made at the direction of the Court;
- (hh) “**Securities**” means BMK Options, BMK Shares, BMK Warrants, CDA Shares, and CDA Replacement Shares;
- (ii) “**Share Exchange Ratio**” has the meaning ascribed to such term in Section 3.1(b)(ii);
- (jj) “**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time;
- (kk) “**Tax Exempt person**” means a person who is exempt from tax under Part I of the Tax Act;
- (ll) “**United States**” or “**U.S.**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
- (mm) “**U.S. Holder**” means a U.S. Person or a person in or a resident of the United States;

(nn) “**U.S. Person**” means a U.S. person as defined in Rule 902(k) under the U.S. Securities Act;

(oo) “**U.S. Securities Act**” means the United States *Securities Act of 1933* as the same has been, and hereinafter from time to time, may be amended; and

(pp) “**U.S. Tax Code**” means the United States *Internal Revenue Code of 1986*, as amended.

In addition, words and phrases used herein and defined in the CBCA and not otherwise defined herein shall have the same meaning herein as in the CBCA unless the context otherwise requires.

### **Interpretation Not Affected by Headings**

1.2 The division of this Plan of Arrangement into articles, sections, paragraphs and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. The terms “this Plan of Arrangement”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions refer to this Plan of Arrangement and not to any particular article, section or other portion hereof and include any instrument supplementary or ancillary hereto.

### **Number, Gender and Persons**

1.3 In this Plan of Arrangement, unless the context otherwise requires, words importing the singular shall include the plural and vice versa, words importing the use of either gender shall include both genders and neuter and the word person and words importing persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any governmental agency, political subdivision or instrumentality thereof) and any other entity or group of persons of any kind or nature whatsoever.

### **Date for any Action**

1.4 If the date on which any action is required to be taken hereunder by a Party is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

### **Statutory References**

1.5 Any reference in this Plan of Arrangement to a statute includes all regulations made thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

### **Currency**

1.6 Unless otherwise stated, all references herein to sums of money are expressed in lawful money of Canada and “\$” refers to Canadian dollars.

## **Governing Law**

1.7 This Plan of Arrangement shall be governed, including as to validity, interpretation and effect, by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

## **ARTICLE 2 ARRANGEMENT AGREEMENT**

### **Arrangement Agreement**

2.1 This Plan of Arrangement is made pursuant to, and is subject to the provisions of, the Arrangement Agreement, except in respect of the sequence of the steps comprising the Arrangement, which shall occur in the order set forth herein.

### **Binding Effect**

2.2 This Plan of Arrangement and the Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate of Arrangement, will become effective, and be binding on the Parties, the Depositary, and all holders and beneficial owners of Securities, at and after the Effective Time without any further act or formality required on the part of any person, except as expressly provided herein.

## **ARTICLE 3 ARRANGEMENT**

### **Arrangement**

3.1 At the Effective Time, the following shall occur and shall be deemed to occur sequentially in the following order without any further act or formality:

- (a) each BMK Share held by a Dissenting Shareholder shall be transferred to BMK (free and clear of all liens, claims and encumbrances) and cancelled and become an entitlement to be paid the fair value of such BMK Share and the Dissenting Shareholder shall cease to have any rights as a holder of such BMK Share other than the right to be paid the fair value of such BMK Share by Amalco in accordance with Article 4 hereof;
- (b) CDA Subco and BMK shall be amalgamated and continued as one corporation under the CBCA to form Amalco (the “**Amalgamation**”) in accordance with the following:
  - (i) *Name*. The name of Amalco shall be such name as BMK may determine;
  - (ii) *Registered Office*. The registered office of Amalco shall be the registered office of BMK;
  - (iii) *Share Provisions*. Amalco shall be authorized to issue an unlimited number of common shares of Amalco;

(iv) *Restrictions on Transfer.* No shares of Amalco shall be transferred to any person without the approval of the Board of Directors of Amalco;

(v) *Directors and Officers.*

(A) *Minimum and Maximum.* The directors of Amalco shall, until otherwise changed in accordance with the CBCA, consist of a minimum number of one (1) director and a maximum number of (10) directors;

(B) *Initial Directors.* The initial director of Amalco shall be Hao Li;

(C) *Initial Officers.* The initial officer of Amalco shall be Hao Li as President and Chief Executive Officer and as Chief Financial Officer;

(vi) *Business and Powers.* There shall be no restrictions on the business Amalco may carry on or on the powers it may exercise;

(vii) *By-laws.* The by-laws of Amalco shall be the by-laws of BMK, *mutatis mutandis*;

(viii) *Effect of Amalgamation.* The provisions of Subsections 186(b), (c), (d), (e) and (f) of the CBCA shall apply to the amalgamation with the result that:

(A) all of the property of each of CDA Subco and BMK shall continue to be the property of Amalco;

(B) Amalco shall continue to be liable for all of the obligations of each of CDA Subco and BMK;

(C) any existing cause of action, claim or liability to prosecution of CDA Subco or BMK shall be unaffected;

(D) any civil, criminal or administrative action or proceeding pending by or against CDA Subco or BMK may be continued to be prosecuted by or against Amalco; and

(E) a conviction against, or ruling, order or judgement in favour of or against CDA Subco or BMK may be enforced by or against Amalco;

(ix) *Articles.* The articles of CDA Subco immediately before the Effective Time are deemed to be the articles of incorporation of Amalco, and the Certificate of Arrangement is deemed to be the certificate of incorporation of Amalco; and

(c) On and in consequence of the Amalgamation:

(i) each BMK Share held by CDA or CDA Subco, if any, will be cancelled without any repayment of capital in respect thereof;

(ii) each issued and outstanding BMK Share (other than BMK Shares held by CDA and CDA Subco) shall be cancelled and such holder's name shall be removed from the register of holders of BMK Shares as of the Effective Time and in consideration therefor the holder thereof shall receive 1.497 fully paid and non-assessable CDA Shares in respect of each BMK Share (the “**Share Exchange Ratio**”) so cancelled and the CDA Shares held by such holder shall be added to the register of holders of CDA Shares as of the Effective Date;

(iii) each BMK Option which is outstanding and has not been duly exercised prior to the Effective Time, shall, in accordance with their existing terms, entitle the holder to purchase from CDA the number of CDA Shares (rounded down to the nearest whole share) equal to: (i) the Share Exchange Ratio multiplied by (ii) the number of BMK Shares subject to such BMK Option immediately prior to the Effective Time, at an exercise price per CDA Share (rounded up to the nearest whole cent) equal to: (x) the exercise price per BMK Share subject to such BMK Option immediately before the Effective Time; divided by (y) the Share Exchange Ratio;

(iv) each BMK Warrant which is outstanding and has not been duly exercised prior to the Effective Time, shall, in accordance with their existing terms, entitle the holder to purchase from CDA the number of CDA Shares (rounded down to the nearest whole share) equal to: (i) the Share Exchange Ratio multiplied by (ii) the number of BMK Shares subject to such BMK Warrant immediately prior to the Effective Time, at an exercise price per CDA Share (rounded up to the nearest whole cent) equal to: (x) the exercise price per BMK Share subject to such BMK Warrant immediately before the Effective Time; divided by (y) the Share Exchange Ratio; and

(v) the issued and outstanding CDA Subco Shares held by CDA shall be cancelled and in exchange therefor CDA shall receive an equal number of common shares of Amalco and the common shares of Amalco held by CDA shall be added to the register of holders of common shares of Amalco as of the Effective Date.

3.2 The Arrangement shall be structured such that, assuming the resolutions approving the Arrangement are approved and the Final Order have been obtained, the issuance of the CDA Replacement Shares issuable to the holders of BMK Shares, and issuable to holders of the BMK Options and BMK Warrants upon due exercise of the BMK Options and BMK Warrants in accordance with their respective terms, respectively, under the Arrangement will not require registration under the United States *Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder, in reliance on Section 3(a)(10) thereof.

### **Effective Time Procedures**

3.3 (a) Following the receipt of the Final Order and prior to the Effective Date, CDA shall deliver or arrange to be delivered to the Former BMK Shareholders certificates representing the CDA Replacement Shares required to be issued to Former BMK

Shareholders in accordance with the provisions of Section 3.1, in accordance with the provisions of Article 5.

(b) For greater clarity, subject to the provisions of Article 5, Former BMK Shareholders shall be entitled to receive delivery of certificates representing the CDA Replacement Shares to which they are entitled pursuant to Section 3.1.

### **No Fractional CDA Shares**

3.4 No fractional CDA Shares shall be issued to Former BMK Shareholders. The number of CDA Shares to be issued to Former BMK Shareholders or to holders of the BMK Options or BMK Warrants upon due exercise of the BMK Options or BMK Warrants in accordance with their respective terms, as applicable, shall be rounded up to the nearest whole CDA Share.

## **ARTICLE 4 DISSENT RIGHTS**

### **Dissent Rights**

4.1 Pursuant to the Interim Order, holders of BMK Shares may exercise rights of dissent (“**Dissent Rights**”) under Section 190 of the CBCA, as modified by this Article 4, the Interim Order and the Final Order, with respect to BMK Shares in connection with the Arrangement, provided that the written notice setting out the objection of such registered BMK Shareholder to the Arrangement and the exercise of Dissent Rights must be sent to BMK by BMK shareholders who wish to dissent not later than 5:00 p.m. (Toronto, Ontario time) on the last business day immediately preceding the BMK Meeting or any date to which the BMK Meeting may be postponed or adjourned and provided further that holders who exercise such rights of dissent and who:

(a) are ultimately entitled to be paid fair value for their BMK Shares, which fair value, notwithstanding anything to the contrary contained in the CBCA, shall be determined as of immediately prior to the approval of the Arrangement Resolution, shall be deemed to have transferred their BMK Shares to BMK as of the Effective Time as consideration for a debt claim against BMK to be paid the fair value of such BMK Shares and will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights; and

(b) are ultimately not entitled, for any reason, to be paid fair value for their BMK Shares shall be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-dissenting holder of BMK Shares.

In no circumstances shall BMK or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is a registered holder of those BMK Shares in respect of which such rights are sought to be exercised. From and after the Effective Date, neither BMK nor any other Person shall be required to recognize a Dissenting Shareholder as a shareholder of BMK and the names of the Dissenting Shareholders shall be deleted from the register of holders of BMK Shares previously maintained or caused to be maintained by BMK.



## **ARTICLE 5 DELIVERY OF CDA SHARES**

### **Delivery of CDA Shares**

5.1 Each BMK Shareholder shall be entitled to receive and CDA shall deliver or cause to deliver to such holder following the Effective Time, a certificate representing the CDA Replacement Shares that such holder is entitled to receive in accordance with Section 3.1.

### **Withholding Rights**

5.2 CDA and, BMK shall be entitled to deduct and withhold from any consideration payable or otherwise deliverable to any Person hereunder (including, without limitation, the CDA Replacement Shares) and from all dividends or other distributions otherwise payable to any former BMK Shareholders such amounts as CDA and BMK are required or permitted to deduct and withhold therefrom under any provision of applicable laws in respect of taxes. For the purposes hereof, all such withheld amounts shall be treated as having been paid to the person in respect of which such deduction and withholding was made on account of the obligation to make payment to such person hereunder, provided that such deducted or withheld amounts are actually remitted to the appropriate governmental entity by or on behalf of BMK and CDA, as the case may be. To the extent necessary, such deductions and withholdings may be effected by selling any CDA Replacement Shares to which any such person may otherwise be entitled hereunder, and any amount remaining following the sale, deduction and remittance shall be paid to the person entitled thereto as soon as reasonably practicable..

## **ARTICLE 6 AMENDMENTS**

### **Amendments to Plan of Arrangement**

6.1 (a) CDA and BMK reserve the right to amend, modify or supplement this Plan of Arrangement at any time and from time to time, provided that each such amendment, modification or supplement must be (i) set out in writing, (ii) agreed to in writing by CDA and BMK, (iii) filed with the Court and, if made following the BMK Meeting, approved by the Court, and (iv) communicated to BMK Shareholders or Former BMK Shareholders if and as required by the Court.

(b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by BMK at any time prior to the BMK Meeting provided that CDA shall have consented thereto in writing, with or without any other prior notice or communication, and, if so proposed and accepted by the persons voting at the BMK Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

(c) Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the BMK Meeting shall be effective only if: (i) it is consented to in writing by each of CDA and BMK; and (ii) if required by the Court, it is consented to by the BMK Shareholders voting in the manner directed by the Court.

**ARTICLE 7**  
**ADDITIONAL STEPS**

7.1 Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the Parties shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to document or evidence any of the transactions or events set out herein.

7.2 Subject to the terms of the Arrangement Agreement, CDA and BMK may agree not to implement the Plan of Arrangement, notwithstanding the approval of the resolutions authorizing the Arrangement and the receipt of the Final Order.

**Paramountcy**

7.3 From and after the Effective Time (a) this Plan of Arrangement shall take precedence and priority over any and all rights related to Securities issued prior to the Effective Time, (b) the rights and obligations of the holders of Securities and any trustee and transfer agent therefor, shall be solely as provided for in this Plan of Arrangement, and (c) all actions, causes of actions, claims or proceedings (actual or contingent, and whether or not previously asserted) based on or in any way relating to Securities shall be deemed to have been settled, compromised, released and determined without liability except as set forth herein.

[https://boylecocom.sharepoint.com/sites/Group/Documents/MS Litigate Canuc/Plan of Arrangement/Plan of Arrangement/BMK - Plan of Arrangement Standalone \(Feb 4-25\) - FINAL.docx](https://boylecocom.sharepoint.com/sites/Group/Documents/MS%20Litigate%20Canuc/Plan%20of%20Arrangement/Plan%20of%20Arrangement/BMK%20-%20Plan%20of%20Arrangement%20Standalone%20(Feb%204-25)%20-%20FINAL.docx)

**SCHEDULE "B"**  
**ARRANGEMENT RESOLUTION**

BE IT RESOLVED THAT:

1. The arrangement (the "**Arrangement**") under Section 192 of the *Canadian Business Corporations Act* (British Columbia) (the "**CBCA**") involving MacDonald Mines Exploration Ltd. ("**BMK**"), Canuc Resources Corp. ("**CDA**"), and 16712371 Canada Inc. ("**CDA Subco**"), all as more particularly described and set out in the Management Information Circular (the "**Information Circular**") of BMK dated February 19, 2025 accompanying the notice of this meeting (as the Arrangement may be modified or amended), is authorized, approved and adopted;
2. The plan of arrangement, as it may be or has been amended (the "**Plan of Arrangement**"), involving BMK and implementing the Arrangement, the full text of which is set out in Schedule "B" to the Information Circular (as the Plan of Arrangement may be, or may have been, modified or amended), is authorized, approved and adopted;
3. The arrangement agreement (the "**Arrangement Agreement**") between BMK, CDA and CDA Subco, dated February 4, 2025, as amended, and all the transactions contemplated therein and the actions of the directors of BMK in approving the Arrangement and the actions of the officers of BMK in executing and delivering the Arrangement Agreement and any amendments thereto are ratified and approved;
4. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the securityholders of BMK or that the Arrangement has been approved by the Superior Court of Ontario, the directors of BMK are authorized and empowered, without further notice to, or approval of, the securityholders of BMK:
  - (a) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; or
  - (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement; and
5. Any one or more directors or officers of BMK is authorized, for and on behalf and in the name of BMK, to execute and deliver, whether under the corporate seal of BMK or not, all such agreements, forms, waivers, notices, certificates, confirmations and other documents and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Arrangement Agreement and the completion of the Plan of Arrangement in accordance with the terms of the Arrangement Agreement, including:
  - (a) all actions required to be taken by or on behalf of BMK, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and
  - (b) the signing of the certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by BMK;

such determination to be conclusively evidenced by the execution and delivery of such document or the doing of any such act or thing.

## **SCHEDULE "C"** **DISSENT RIGHTS**

Pursuant to the Interim Order, Shareholders have the right to dissent pursuant to Section 190 of the CBCA in respect of the Arrangement, as modified by the Interim Order. The full text of Section 190 of the CBCA is set forth below. Note that certain provisions of such sections have been modified by the Interim Order, a copy of which is attached as Schedule "E" to the Circular.

### Section 190

#### *Right to dissent*

(1) Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to

- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;
- (b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;
- (c) amalgamate otherwise than under section 184;
- (d) be continued under section 188;
- (e) sell, lease or exchange all or substantially all its property under subsection 189(3);  
or
- (f) carry out a going-private transaction or a squeeze-out transaction.

#### *Further right*

(2) A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.

#### *If one class of shares*

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares.

#### *Payment for shares*

(3) In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

*No partial dissent*

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

*Objection*

(5) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

*Notice of resolution*

(6) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

*Demand for payment*

(7) A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing

- (a) the shareholder's name and address;
- (b) the number and class of shares in respect of which the shareholder dissents; and
- (c) a demand for payment of the fair value of such shares.

*Share certificate*

(8) A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

*Forfeiture*

(9) A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

*Endorsing certificate*

(10) A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

*Suspension of rights*

(11) On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where

- (a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),
- (b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or
- (c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9),

in which case the shareholder's rights are reinstated as of the date the notice was sent.

*Offer to pay*

(12) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice

- (a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or
- (b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

*Same terms*

(13) Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

*Payment*

(14) Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

*Corporation may apply to court*

(15) Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.

*Shareholder application to court*

(16) If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.

*Venue*

(17) An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

*No security for costs*

(18) A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

*Parties*

(19) On an application to a court under subsection (15) or (16),

- (a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and
- (b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

*Powers of court*

(20) On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

*Appraisers*

(21) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

*Final order*

(22) The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.

*Interest*

(23) A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

*Notice that subsection (26) applies*



(24) If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

*Effect where subsection (26) applies*

(25) If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may

- (a) withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or
- (b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

*Limitation*

(26) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

- (a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or
- (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

**SCHEDULE "D"**  
**INTERIM ORDER**

- See attached -

**SCHEDULE “A” TO NOTICE OF MOTION**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**THE HONOURABLE JUSTICE STEELE** ) **TUESDAY, THE 18<sup>th</sup>**  
 ) **DAY OF FEBRUARY, 2025**

**IN THE MATTER OF** an application under section 192 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended;

**AND IN THE MATTER OF** Rule 14.05(2) of the *Rules of Civil Procedure*

**AND IN THE MATTER OF** a proposed arrangement involving MACDONALD MINES EXPLORATION LTD. and its shareholders and 16712371 CANADA INC.

**16712371 CANADA INC.  
and MACDONALD MINES EXPLORATION LTD.**

Applicants

**INTERIM ORDER**

**THIS MOTION** made by the Applicants, 16712371 Canada Inc. (“**Canuc SubCo**”) and MacDonald Mines Exploration Ltd. (“**BMK**”) for an interim order for advice and directions pursuant to section 192 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended, (the “**CBCA**”) was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Notice of Motion, the Notice of Application issued on February 7, 2025, the affidavit of Mike England (the “**England Affidavit**”) sworn February 15, 2025 including the Plan of Arrangement, which is attached as **Schedule “A”** to the draft management information circular of BMK (the “**Information Circular**”), which is attached as **Exhibit “A”** to the England Affidavit, and on hearing the

submissions of counsel for the Applicants and on being advised that the Director appointed under the CBCA (the “**Director**”) does not consider it necessary to appear.

### **Definitions**

1. **THIS COURT ORDERS** that all definitions used in this Interim Order shall have the meaning ascribed thereto in the Information Circular or otherwise as specifically defined herein.

### **The Meeting**

2. **THIS COURT ORDERS** that BMK is permitted to call, hold and conduct a special meeting (the “**Meeting**”) of the holders of voting common shares in the capital of BMK (the “**Shareholders**”), in order for the Shareholders to consider and, if determined advisable, pass resolutions authorizing, adopting and approving, with or without variation, the Arrangement and the Plan of Arrangement (collectively, the “**Arrangement Resolution**”).

3. **THIS COURT ORDERS** that the Meeting shall be called, held and conducted in accordance with the CBCA, the notice of meeting of Shareholders, which accompanies the Information Circular (the “**Notice of Meeting**”) and the articles and by-laws of BMK, subject to what may be provided hereafter and subject to further order of this court.

4. **THIS COURT ORDERS** that the record date (the “**Record Date**”) for determination of the Shareholders entitled to notice of, and to vote at, the Meeting shall be February 19, 2025.

5. **THIS COURT ORDERS** that the only persons entitled to attend or speak at the Meeting shall be:

- a) the Shareholders or their respective proxyholders;
- b) the officers, directors, auditors and advisors of BMK;
- c) representatives and advisors of Canuc SubCo and Canuc Resources Corporation (“**CDA**”);
- d) the Director; and
- e) other persons who may receive the permission of the Chair of the Meeting.

6. **THIS COURT ORDERS** that BMK may transact such other business at the Meeting as is contemplated in the Information Circular, or as may otherwise be properly before the Meeting.

#### **Quorum**

7. **THIS COURT ORDERS** that the Chair of the Meeting shall be determined by BMK and that the quorum at the Meeting shall be not less than two Shareholders present in person at the opening of the Meeting who are entitled to vote at the Meeting either as Shareholders or proxyholders.

#### **Amendments to the Arrangement and Plan of Arrangement**

8. **THIS COURT ORDERS** that BMK is authorized to make, subject to the terms of the Arrangement Agreement, and paragraph 9, below, such amendments,

modifications or supplements to the Arrangement and the Plan of Arrangement as it may determine without any additional notice to the Shareholders, or others entitled to receive notice under paragraphs 12 and 13 hereof and the Arrangement and Plan of Arrangement, as so amended, modified or supplemented shall be the Arrangement and Plan of Arrangement to be submitted to the Shareholders at the Meeting and shall be the subject of the Arrangement Resolution. Amendments, modifications or supplements may be made following the Meeting, but shall be subject to review and, if appropriate, further direction by this Court at the hearing for the final approval of the Arrangement.

9. **THIS COURT ORDERS** that, if any amendments, modifications or supplements to the Arrangement or Plan of Arrangement made after initial notice is provided as contemplated in paragraph 12 herein, which would, if disclosed, reasonably be expected to affect a Shareholder's decision to vote for or against the Arrangement Resolution, notice of such amendment, modification or supplement shall be distributed, subject to further order of this Court, by press release, newspaper advertisement, prepaid ordinary mail, or by the method most reasonably practicable in the circumstances, as BMK may determine.

#### **Amendments to the Information Circular**

10. **THIS COURT ORDERS** that BMK is authorized to make such amendments, revisions and/or supplements to the draft Information Circular as it may determine and the Information Circular, as so amended, revised and/or supplemental, shall be the Information Circular to be distributed in accordance with paragraphs 12 and 13.

### **Adjournments and Postponements**

11. **THIS COURT ORDERS** that BMK, if it deems advisable and subject to the terms of the Arrangement Agreement, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Shareholders respecting the adjournment or postponement, and notice of any such adjournment or postponement shall be given by such method as BMK may determine is appropriate in the circumstances. This provision shall not limit the authority of the Chair of the Meeting in respect of adjournments and postponements.

### **Notice of Meeting**

12. **THIS COURT ORDERS** that, subject to the extent section 253(4) of the CBCA is applicable, in order to effect notice of the Meeting, BMK shall send or cause to be sent the Information Circular (including the Notice of Application and this Interim Order), the Notice of Meeting, and the form of proxy, along with such amendments or additional documents as BMK may determine are necessary or desirable and are not inconsistent with the terms of this Interim Order (collectively, the “**Meeting Materials**”), as follows:

- a) to the registered Shareholders at the close of business on the Record Date, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting, by one or more of the following methods:

- i) by pre-paid ordinary or first class mail at the addresses of the Shareholders as they appear on the books and records of BMK, or its registrar and transfer agent, at the close of business on the Record Date and if no address is shown therein, then the last address of the person known to the Corporate Secretary of BMK;
  - ii) by delivery, in person or by recognized courier service or inter-office mail, to the address specified in (i) above; or
  - iii) by facsimile or electronic transmission to any Shareholder, who is identified to the satisfaction of BMK, who requests such transmission in writing and, if required by BMK;
- b) to non-registered Shareholders by providing sufficient copies of the Meeting Materials to intermediaries and registered nominees in a timely manner, in accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*;
- c) to other Securityholders by providing sufficient copies of the Meeting Materials to intermediaries and registered nominees in a timely manner, in accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*; and
- d) to the directors and auditors of BMK, and to the Director appointed under the CBCA, by delivery in person, by recognized courier service, by pre-paid ordinary or first class mail or, with the consent of the person, by



facsimile or electronic transmission, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting

and that compliance with this paragraph shall constitute sufficient notice of the Meeting.

13. **THIS COURT ORDERS** that BMK is hereby directed to distribute the Information Circular (including the Notice of Application, and this Interim Order) (collectively, the “**Court Materials**”) to the holders of BMK options or warrants, by any method permitted for notice to Shareholders as set forth in paragraphs 12(a) or 12(b), above, or by email, concurrently with the distribution described in paragraph 12 of this Interim Order. Distribution to such persons shall be to their addresses as they appear on the books and records of BMK or its registrar and transfer agent at the close of business on the Record Date.

14. **THIS COURT ORDERS** that accidental failure or omission by BMK to give notice of the meeting or to distribute the Meeting Materials or Court Materials to any person entitled by this Interim Order to receive notice, or any failure or omission to give such notice as a result of events beyond the reasonable control of BMK, or the non-receipt of such notice shall, subject to further order of this Court, not constitute a breach of this Interim Order nor shall it invalidate any resolution passed or proceedings taken at the Meeting. If any such failure or omission is brought to the attention of BMK, it shall use its best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

15. **THIS COURT ORDERS** that BMK is hereby authorized to make such amendments, revisions or supplements to the Meeting Materials and Court Materials, as BMK may determine in accordance with the terms of the Arrangement Agreement ("**Additional Information**"), and that notice of such Additional Information may, subject to paragraph 9, above, be distributed by press release, newspaper advertisement, pre-paid ordinary mail, or by the method most reasonably practicable in the circumstances, as BMK may determine.

16. **THIS COURT ORDERS** that distribution of the Meeting Materials and Court Materials pursuant to paragraphs 12 and 13 of this Interim Order shall constitute notice of the Meeting and good and sufficient service of the within Application upon the persons described in paragraphs 12 and 13 and that those persons are bound by any orders made on the within Application. Further, no other form of service of the Meeting Materials or the Court Materials or any portion thereof need be made, or notice given or other material served in respect of these proceedings and/or the Meeting to such persons or to any other persons, except to the extent required by paragraph 9 above.

#### **Solicitation and Revocation of Proxies**

17. **THIS COURT ORDERS** that BMK is authorized to use the form of proxy substantially in the form of the drafts accompanying the Information Circular, with such amendments and additional information as BMK may determine are necessary or desirable, subject to the terms of the Arrangement Agreement. BMK is authorized, at its expense, to solicit proxies, directly or through its officers, directors or employees, and through such agents or representatives as they may retain for that purpose, and by mail or such other forms of personal or electronic communication as it may

determine. BMK may waive generally, in its discretion, the time limits set out in the Information Circular for the deposit or revocation of proxies by Shareholders, if BMK deems it advisable to do so.

18. **THIS COURT ORDERS** that Shareholders shall be entitled to revoke their proxies in accordance with section 148(4) of the CBCA (except as the procedures of that section are varied by this paragraph) provided that any instruments in writing delivered pursuant to section 148(4)(a)(i) of the CBCA: (a) may be deposited at the registered office of BMK or with the transfer agent of BMK as set out in the Information Circular; and (b) any such instruments must be received by BMK or its transfer agent not later than the business day immediately preceding the Meeting (or any adjournment or postponement thereof).

### **Voting**

19. **THIS COURT ORDERS** that the only persons entitled to vote in person or by proxy on the Arrangement Resolution, or such other business as may be properly brought before the Meeting, shall be those Shareholders who hold voting common shares of BMK as of the close of business on the Record Date. Illegible votes, spoiled votes, defective votes and abstentions shall be deemed to be votes not cast. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution.

20. **THIS COURT ORDERS** that votes shall be taken at the Meeting on the basis of one vote per common share held and that in order for the Plan of Arrangement to be implemented, subject to further Order of this Court, the Arrangement Resolution must

be passed, with or without variation, at the Meeting by an affirmative vote of at least two-thirds ( $66\frac{2}{3}\%$ ) of the votes cast in respect of the Arrangement Resolution at the Meeting in person or by proxy by the Shareholders, excluding any related parties as prescribed by Multilateral Instrument 61-101 - Protection of Minority Shareholders in Special Transactions. Such votes shall be sufficient to authorize BMK to do all such acts and things as may be necessary or desirable to give effect to the Arrangement and the Plan of Arrangement on a basis consistent with what is provided for in the Information Circular without the necessity of any further approval by the Shareholders, subject only to final approval of the Arrangement by this Court.

21. **THIS COURT ORDERS** that in respect of matters properly brought before the Meeting pertaining to items of business affecting BMK (other than in respect of the Arrangement Resolution), each Shareholder is entitled to one vote for each voting common share held.

### **Dissent Rights**

22. **THIS COURT ORDERS** that each registered Shareholder shall be entitled to exercise Dissent Rights in connection with the Arrangement Resolution in accordance with section 190 of the CBCA (except as the procedures of that section are varied by this Interim Order and the Plan of Arrangement) provided that, notwithstanding subsection 190(5) of the CBCA, any Shareholder who wishes to dissent must, as a condition precedent thereto, provide written objection to the Arrangement Resolution to BMK in the form required by section 190 of the CBCA and the Arrangement Agreement, which written objection must be received by BMK not later than 5:00 p.m. (Eastern time) on the last business day immediately preceding the Meeting (or any

adjournment or postponement thereof), and must otherwise strictly comply with the requirements of the CBCA. For purposes of these proceedings, the “court” referred to in section 190 of the CBCA means this Court.

23. **THIS COURT ORDERS** that, notwithstanding section 190(3) of the CBCA, the corporation resulting from the amalgamation of BMK and Canuc SubCo (“**Amalco**”), not BMK shall be required to offer to pay fair value, as of the day prior to approval of the Arrangement Resolution, for voting common shares held by Shareholders who duly exercise Dissent Rights, and to pay the amount to which such Shareholders may be entitled pursuant to the terms of the Arrangement Agreement or Plan of Arrangement. In accordance with the Plan of Arrangement and the Information Circular, all references to the “corporation” in subsections 190(3) and 190(11) to 190(26), inclusive, of the CBCA (except for the second reference to the “corporation” in subsection 190(12) and the two references to the “corporation” in subsection 190(17)) shall be deemed to refer to “Amalco” in place of the “corporation”, and Amalco shall have all of the rights, duties and obligations of the “corporation” under subsections 190(11) to 190(26), inclusive, of the CBCA.

24. **THIS COURT ORDERS** that any Shareholder who duly exercises such Dissent Rights set out in paragraph 22 above and who:

- i) is ultimately determined by this Court to be entitled to be paid fair value for his, her or its voting common shares, shall be deemed to have transferred those voting common shares as of the Effective Time, without any further act or formality and free and clear of all liens, claims,

encumbrances, charges, adverse interests or security interests to Canuc SubCo for cancellation in consideration for a payment of cash from CDA equal to such fair value; or

- ii) is for any reason ultimately determined by this Court not to be entitled to be paid fair value for his, her or its voting common shares pursuant to the exercise of the Dissent Right, shall be deemed to have participated in the Arrangement on the same basis and at the same time as any non-dissenting Shareholder;

but in no case shall the Applicants or any other person be required to recognize such Shareholders as Securityholders of voting common shares of BMK at or after the date upon which the Arrangement becomes effective and the names of such Shareholders shall be deleted from BMK's register of Securityholders of voting common shares at that time.

#### **Hearing of Application for Approval of the Arrangement**

25. **THIS COURT ORDERS** that upon approval by the Shareholders of the Plan of Arrangement in the manner set forth in this Interim Order, BMK may apply to this Court for final approval of the Arrangement.

26. **THIS COURT ORDERS** that distribution of the Notice of Application and the Interim Order in the Information Circular, when sent in accordance with paragraphs 12 and 13 shall constitute good and sufficient service of the Notice of Application and this Interim Order and no other form of service need be effected and no other material

need be served unless a Notice of Appearance is served in accordance with paragraph 27.

27. **THIS COURT ORDERS** that any Notice of Appearance served in response to the Notice of Application shall be served on the solicitors for BMK, with a copy to counsel for Canuc SubCo, as soon as reasonably practicable, and, in any event, no less than one day before the hearing of this Application at the following addresses:

**RICHARDS BUELL SUTTON LLP**  
700 – 401 West Georgia Street Vancouver,  
BC V6B 5A1

**Joe C. Chan**  
Email: jchan@rbs.ca  
Tel:(604) 661-263

**Brendan Bachewich**  
Email: bbachewich@rbs.ca  
Tel: (604) 909-9320

*Co-Counsel for BMK*

**MATHEWS SAMAC LLP**  
2010 Winston Park Drive, Suite 303 Oakville,  
ON L6H 5R7

**Joshua Samac (LSO No. 73959S)**  
Email: jsamac@mslitigate.com  
Tel: (416) 225-5289 ext. 389

**Thomas Mathews (LSO No. 64925K)**  
Barreau du Québec No. 2964457  
Tel.: (416) 225-5289 ext. 289  
Email: tmathews@mslitigate.com

**Nicolas Lagore (LSO No. 91171S)**  
Tel: (416) 225-5289 ext. 389  
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*Co-Counsel for BMK*

**BOYLE & CO. LLP**  
50 Richmond St. E, Suite 300  
Toronto, ON M5C 1N7

**Enrico Moretti (LSO No. 43321P)**  
Tel: (416) 867-8800 ext. 203  
Email: enrico@boyleco.com

*Securities Counsel for Canuc SubCo*

28. **THIS COURT ORDERS** that, subject to further order of this Court, the only persons entitled to appear and be heard at the hearing of the within application shall be:

- i) BMK;
- ii) Canuc SubCo;
- iii) the Director; and
- iv) any person who has filed a Notice of Appearance herein in accordance with the Notice of Application, this Interim Order and the *Rules of Civil Procedure*.

29. **THIS COURT ORDERS** that any materials to be filed by BMK in support of the within Application for final approval of the Arrangement may be filed up to one day prior to the hearing of the Application without further order of this Court.

30. **THIS COURT ORDERS** that in the event the within Application for final approval does not proceed on the date set forth in the Notice of Application, and is adjourned, only those persons who served and filed a Notice of Appearance in accordance with paragraph 26 shall be entitled to be given notice of the adjourned date.

#### **Service and Notice**

31. **THIS COURT ORDERS** that the Applicants and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by



forwarding true copies thereof by electronic message to BMK's Shareholders, creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the Electronic Commerce Protection Regulations, Reg. 81000-2-175 (SOR/DORS).

32. **THIS COURT ORDERS** that the time for service of the Applicants' Notice of Motion and Motion Record, and of this Interim Order is hereby abridged.

#### **Precedence**

33. **THIS COURT ORDERS** that, to the extent of any inconsistency or discrepancy between this Interim Order and the terms of any instrument creating, governing or collateral to the voting common shares, BMK options, warrants, or other rights to acquire voting common shares of BMK, or the articles or by-laws of BMK, this Interim Order shall govern.

#### **Extra-Territorial Assistance**

34. **THIS COURT** seeks and requests the aid and recognition of any court or any judicial, regulatory or administrative body in any province of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States or other country to act in aid of and to assist this Court in carrying out the terms of this Interim Order.

**Variance**

35. **THIS COURT ORDERS** that the Applicants shall be entitled to seek leave to vary this Interim Order upon such terms and upon the giving of such notice as this Court may direct.

(signed) Jana Steele

**16712371 CANADA INC. and CANUC RESOURCES CORPORATION and  
MACDONALD MINES EXPLORATION LTD. (Applicants)**

Court File No. CV-25-00736645-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE – COMMERCIAL  
LIST**

**PROCEEDING COMMENCED AT TORONTO**

**INTERIM ORDER**

**MATHEWS SAMAC LLP**  
2010 Winston Park Drive, Suite 303  
Oakville, Ontario L6H 5R7

**Joshua Samac (LSO No. 73959S)**  
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*Lawyers for the Applicants*

**SCHEDULE "E"**  
**NOTICE OF APPLICATION**

- See attached -

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**



**IN THE MATTER OF** the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended, Section 192

**AND IN THE MATTER OF** Rules 14.05(2) and 14.05(3)(f) of the *Rules of Civil Procedure*

**AND IN THE MATTER OF** a proposed arrangement involving MACDONALD MINES EXPLORATION LTD. and its shareholders and 16712371 CANADA INC.

**16712371 CANADA INC. and  
MACDONALD MINES EXPLORATION LTD.**

Applicants

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**NOTICE OF APPLICATION**

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TO THE RESPONDENT

A LEGAL PROCEEDING HAS BEEN COMMENCED by the applicant. The claim made by the applicant appears on the following pages.

THIS APPLICATION will come on for a hearing on April 4, 2025, at 10:00 am before a judge presiding over the Commercial List by video conference at 330 University Avenue, Toronto, Ontario, M5G 1R7.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: 7 February, 2025

Issued by: (signed) Maggie Sawka  
Local Registrar

Address of court office: 330 University Avenue  
9<sup>th</sup> Floor  
Toronto, ON M5G 1R7

- TO:** The Director appointed under the *Canada Business Corporations Act*
- AND TO:** The Directors of MacDonald Mines Exploration Ltd.
- AND TO:** The Auditors of MacDonald Mines Exploration Ltd.
- AND TO:** All Holders of Common Shares of MacDonald Mines Exploration Ltd.
- AND TO:** All Holders of Options to Purchase Common Shares of MacDonald Mines Exploration Ltd.
- AND TO:** All Holders of Warrants of MacDonald Mines Exploration Ltd.
- AND TO:** **RICHARDS BUELL SUTTON LLP**  
700 – 401 West Georgia Street  
Vancouver, BC V6B 5A1

**Joe C. Chan**  
Email: jchan@rbs.ca  
Tel: (604) 661-263

**Brendan Bachewich**  
Email: bbachewich@rbs.ca  
Tel: (604) 909-9320

## APPLICATION

1. The Applicants 16712371 Canada Inc. (“**Canuc SubCo**”) and MacDonald Mines Exploration Ltd. (“**BMK**”) make application for:

- (a) an order pursuant section 192 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the “**CBCA**”) approving a plan of arrangement (the “**Arrangement**”) proposed by the Applicants and described in the BMK Management Information Circular (the “**Information Circular**”) attached as **Exhibit “A”** to the affidavit to be filed in support of this Application, and which will result in, among other things, the amalgamation of BMK and Canuc SubCo, a wholly-owned subsidiary of Canuc Resources Corporation (“**CDA**”);
- (b) an interim order for advice and directions of this Court pursuant to section 192(4) of the CBCA with respect to the Arrangement and this Application (the “**Interim Order**”);
- (c) an order abridging the time for service and filing or dispensing with service of the Notice of Application and Application record; and
- (d) such further and other relief as this Honourable Court may deem just.

2. The grounds for the application are:

(a) BMK is a reporting issuer with shares listed on the TSX Venture Exchange and is a federal corporation existing under the provisions of the CBCA;

(b) CDA is a reporting issuer with shares listed on the TSX Venture Exchange and is a corporation existing under the provisions of the *Business Corporations Act (Ontario)*, R.S.O. 1990, c. B.16;

(c) Canuc SubCo is a federal corporation wholly-owned by CDA and incorporated pursuant to the provisions of the CBCA for the purposes of completing the Arrangement and related transactions;

(d) on February 4, 2025, BMK, CDA, and Canuc SubCo entered into an arrangement agreement (the “**Arrangement Agreement**”), pursuant to which BMK and Canuc SubCo are to amalgamate by way of the Arrangement and the resulting company, Amalco, is then to be a wholly-owned subsidiary of CDA;

(e) pursuant to the Arrangement, in exchange for each common share of BMK (“**Share**”) held, BMK shareholders, other than those shareholders who exercise their rights of dissent, will receive 1.497 CDA shares;



(f) as a result of the Arrangement, holders of outstanding Share purchase warrants (“**Warrants**”) will, upon exercise of such Warrants in accordance with their existing terms, receive 1.497 common shares of CDA for every Share the Warrant holder would have been entitled to acquire pursuant to the Warrants prior to the Arrangement, at an exercise price equal to the original exercise price divided by 1.497; and

(g) similarly, as a result of the Arrangement, holders of outstanding incentive stock options to purchase Shares (“**Options**”) will, upon exercise of such Options in accordance with their existing terms, receive 1.497 common shares of CDA for every Share the Option holder would have been entitled to acquire pursuant to the Options, at an exercise price equal to the original exercise price divided by 1.497.

(h) the Arrangement is an “arrangement” within the meaning of subsection 192(1) of the CBCA;

(i) none of the Applicants are insolvent;

(j) CDA intends to seek exemptions from registration requirements of the *US Securities Act of 1933*, 15 U.S. Code 77a with respect to the CDA common shares to be issued by virtue of s. 3(a)(10) of that Act, and it is therefore not

practicable for the Applicants to effect fundamental changes in the nature of the Arrangement under any other provision of the CBCA;

(k) all statutory requirements under the CBCA have been satisfied or will be satisfied prior to the hearing of the application;

(l) the directions set out and the approvals required pursuant to any Interim Order this Court may grant have either been followed and obtained, or will be followed and obtained by the return date of this Application;

(m) the Arrangement is put forward in good faith;

(n) the Arrangement is fair and reasonable, and it is appropriate for this Court to approve the Arrangement;

(o) section 192 of the CBCA;

(p) Rules 1.04, 1.05, 3.02, 14.05(2), 14.05(3)(f), 16.04(1), 16.08, 17.02, and 37, 38, and 39 of the *Rules of Civil Procedure*;

(q) such further and other grounds as counsel may advise and this Court may permit.

3. The following documentary evidence will be used at the hearing of the application:
  - (a) such interim order as may be granted by this Court;
  - (b) the affidavits of Christopher Berlet and Mike England, to be sworn, and the exhibits attached thereto;
  - (c) such further affidavit(s) on behalf of the Applicants as may be required to report regarding compliance with any Interim Order of this Court and the result of any meetings ordered by any Interim Order of this Court; and
  - (e) such further and other evidence as counsel may advise and this Court may permit.
  
4. The Notice of Application will be sent to all registered holders of Shares, as well as holders of Warrants and Options who otherwise will not receive a copy of the Notice of Application as registered holders of Shares, at the address of each holder as shown on the books and records of BMK as at the close of business on February 19, 2025, or as this Court may direct in the Interim Order, pursuant to rule 17.02(n) of the *Rules of Civil Procedure* in the case of those holders whose addresses, as they appear on the books and records of BMK, are outside Ontario.

Date: February 5, 2025

7 ml

**MATHEWS SAMAC LLP**

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*Lawyers for the Applicants*

16712371 CANADA INC. and MACDONALD MINES EXPLORATION LTD.  
(Applicants)

Court File No. CV-25-00736645-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
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PROCEEDING COMMENCED AT TORONTO

**NOTICE OF APPLICATION**

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*Lawyers for the Applicants*

**SCHEDULE “F”  
INFORMATION REGARDING CDA AND CDA SUBCO**

**CANUC RESOURCES CORPORATION**

**Business**

Founded in 1954, Canuc Resources Corporation (“CDA”) is a junior resource company focusing on the San Javier Silver-Gold Project in Sonora State, Mexico. The San Javier Silver-Gold Project contains silver, gold and copper mineralization that is interpreted to be part of a silver dominant IOCG or affiliated mineralizing system.

Seymour Sears, P. Geo., is a qualified person for the purposes of National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, and has reviewed and approved the disclosure above regarding the San Javier Silver-Gold Project.

**Corporate Information**

CDA is a corporation incorporated under the Business Corporations Act (Ontario) and is a reporting issuer in the provinces of British Columbia, Alberta, Ontario and Quebec. Further information regarding CDA is available under its SEDAR+ profile online at [www.sedarplus.ca](http://www.sedarplus.ca).

CDA Subco was incorporated as “16712371 Canada Inc.” under the *Canada Business Corporations Act*, and is a wholly-owned subsidiary of CDA formed for the sole purpose of completing the Arrangement.

The Common Shares of CDA are listed for trading on the TSX Venture Exchange under the trading symbol “CDA” and CDA Common Shares are also quoted on the OTCQB under the trading symbol “CNUCF”.

CDA currently has approximately 160,006,150 shares outstanding, 18,125,000 common share purchase warrants outstanding and nil options outstanding.

As a condition of the proposed acquisition of MacDonald Mines Exploration Ltd. by CDA, CDA will complete, concurrently with the closing of the transaction, a private placement financing of a minimum of \$500,000 of units with each unit consisting of one common share of CDA and one common share purchase warrant with each whole warrant exercisable at a price of \$0.15 per share for 2 years.

**Management**

CDA senior officers and board of directors:

*Christopher Berlet, CFA*  
*Chief Executive Officer & Director*

Christopher J. Berlet is a graduate of Mining Engineering from Queen’s University in Ontario, Canada and holds a Diploma in Accounting and Finance from the London School of Economics and Political Science in London, England. Mr. Berlet is a CFA Charter Holder (USA) and has more than 30 years of experience in both finance and the mineral industries. Mr. Berlet is a recent

recipient of the Certificate in ESG Investing offered by the CFA Society of the United Kingdom and is a steward of environmental and governance best practice.

Mr. Berlet indirectly holds 2,300,000 BMK Shares through a private company, Mineral Fund Advisory Ltd Pty. Mr. Betlet is also the CEO of Stakeholder Gold Corp., which owns 5,000 BMK Shares. Aforementioned BMK Shares (representing 4.79% of the outstanding BMK Shares as at the date of the Information Circular, calculated on a non-diluted basis) will be excluded from the vote on the Special Resolution.

*Artie Hao Li, CPA, CA*  
*Chief Financial Officer & Director*

Artie Li CPA, CA is a Chartered Professional Accountant. Mr. Li has half a decade of public accounting experience gained with Ernst & Young LLP. Mr. Li has experience working with audit and accounting functions for public and private companies across various industries and has knowledge of financial reporting and accounting standards. Mr. Li holds a Bachelor of Commerce from the University of Toronto.

*Marcus Chase, B.Eng. (Electrical)*  
*Director*

Mr. Chase is a graduate of Electrical Engineering from McGill University (1993). Mr. Chase's career in Telecommunications followed the rollout of cellular networks throughout Latin America and especially Brazil. A long-time investor in mineral exploration projects, Mr. Chase is the founder of TNO Mining INC. and operates Black Lake Mineração LTDA, a granite extraction company based in Espirito Santo, Brazil.

*Paul Davis, BSc (Hon), MSc*  
*Director*

Mr. Paul Davis serves as a Company Director. Mr. Davis has more than 25 years of exploration and mine management experience in base metals, precious metals and industrial minerals. Most recently, Mr. Davis was VP Exploration at First Nickel Inc., and over his career he has discovered, built and operated several mines. He has been involved in raising more than \$150M in equity and debt financings. Mr. Davis serves as Vice President Technical Services and as a Director for Rogue Resources Inc. Mr. Davis graduated from the University of Western Ontario (BSc- Honors Geology) and the University of Alabama (MSc - Economic Geology).

*Christopher Cheng, P.Eng., BSc. (Mechanical)*  
*Director*

Mr. Christopher Cheng, P.Eng. is a graduate of Mechanical Engineering with a minor in Petroleum Engineering from the University of Calgary (2009) and he is a Professional Engineer registered with APEGA in the Province of Alberta. Mr. Cheng has 10+ years of experience in the upstream oil and gas sector working in the Western Canadian Sedimentary Basin. For the last 5 years Mr. Cheng has been specializing in the development of new and innovative extractive and drilling technologies. In 2020 Mr. Cheng transitioned to the renewable energy sector as Senior Development Engineer with Eavor Technologies Inc., a private geothermal company.

