

Lead Director Martin Burian's Inexplicable Trading Activity at Canagold and Previously Undisclosed Management Cease Trade Order Uncovered by Sun Valley

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- Mr. Burian's undisclosed management cease trade order at Assure Holdings Corp. raises further and serious questions regarding Canagold's oversight and disclosure record
- Like Mr. Cooke, Mr. Burian also sold shares ahead of Canagold's 2020 private placement, then purchased shares shortly after at a deeply discounted price
- Three weeks since questions arose around Mr. Cooke's trading and Canagold disclosure and still no answers
- Vote only the BLUE proxy FOR Sun Valley's nominees by 5:00 p.m. on Thursday, July 14, 2022. To vote, contact Kingsdale Advisors at 1-888-213-0093 or at contactus@kingsdaleadvisors.com or visit TheNewCanagold.com.

Sun Valley Investments ("Sun Valley"), a strategic and long-term focused investor of [CanaGold Resources Ltd.](#) (TSX: CCM) ("Canagold" or the "Company"), has uncovered that another Canagold director - Mr. Martin Burian - has previously engaged in suspicious trading activity before material information was released to the public. Additionally, Mr. Burian failed to disclose a management cease trade order ("MCTO") at Assure Holdings Corp., raising further and serious questions regarding Canagold's oversight and disclosure record.

BIRDS OF A FEATHER FLOCK TOGETHER: FIRST MR. COOKE AND NOW MR. BURIAN'S INEXPLICABLE TRADING ACTIVITY EXPOSED

Following a review of Mr. Burian's SEDI filings in respect of Canagold, the following was discovered:

| | DATE |
|---|--------------|
| After 20 months of inactivity, Mr. Burian disposes of ALL his shareholdings in the public market. | July 7, 2020 |
| Mr. Cooke was also inactive for 20 months, then began selling his shares on July 8, 2020, just one day after Mr. Burian began selling his shares. | July 8, 2020 |
| There was no mention of Mr. Burian's disposal of shares or insider participation. | Aug.19, 2020 |
| There was also no mention of Mr. Cooke's disposal of shares or insider participation. | |
| Mr. Burian purchases 300,000 shares. | |
| Mr. Cooke also purchased shares on Oct. 7, after weeks of selling. | |

Oct. 7,
2020

On behalf of all shareholders, Sun Valley is, again, demanding that Mr. Cooke and Canagold provide a full explanation for these inexplicable trading activities and disclosures. Shareholders deserve to know the truth.

UNDISCLOSED MCTO FOR MR. BURIAN

Canagold touts "strong qualifications" as key reasons to vote for Mr. Burian. In their June 13, 2022 management information circular, Mr. Burian is claimed to be a professional director and a professional accountant, holding various designations with "strong qualifications to provide Board oversight in continuous disclosure obligations and regulatory compliance in North America…"

However, Sun Valley has uncovered details which conflict with Canagold's assertion.

- In addition to being Lead Director at Canagold, Mr. Burian has been the Lead Director of Assure Holdings Corp. ("Assure") since May 2017. That month, Mr. Burian, on behalf of the board of Assure Holdings, Inc., signed a certificate in a filing statement for Assure's going public transaction which stated, "The foregoing as it relates to Assure Holdings, Inc. constitutes full, true and plain disclosure of all material facts relating to the securities of Assure Holdings, Inc."
- On March 12, 2018, Assure announced the resignation of its auditor and Matthew Willer, then president and director of Assure. The auditor cited a "reportable event" with respect to "unresolved issues," as such terms are defined in NI 51-102, in connection with their resignation. Assure initially indicated that it disagreed with some of the reasons for the unresolved issues, reasons for the resignation and facts presented by the auditor. Subsequent investigations by a forensic accountant uncovered that Preston Parsons, the founder and then Chairman and CEO of Assure, and Mr. Willer were responsible for the unauthorized use of the company's funds, breach of fiduciary position, concealment of inappropriate conduct, and commingling of personal and business expenses.
- During this time, Mr. Burian was both a member of the Audit Committee and the chair of the Compensation Committee.
- The findings of the investigations included:
 - certain amounts previously characterized as shareholder distributions in the Q2 2017 unaudited financial statements were to be reclassified as amounts due from Mr. Parsons (\$600,000) and Mr. Willer (\$188,702) to Assure;
 - excess compensation amounts paid to Mr. Willer than what was authorized under his employment agreement in calendar year 2017; and
 - utilization of the company's funds amounting to \$849,695 by Mr. Parsons and \$39,531 by Mr. Willer for personal use from May 25, 2017 to March 31, 2018.
- More troubling is that Assure indicated that insufficient internal controls allowed for concealment of information from the company and emphasized the need to remediate the company's control environment over financial reporting.
- Mr. Parsons subsequently resigned as Chairman and CEO on May 15, 2018, but continued in his capacity as a director. He also entered into settlement negotiations and agreed to repay the total debt of \$2.2 million (including accrued interest) by surrendering and cancelling 1,461,392 of his shares held in Assure at a price of \$1.50 per share.
- As a result of the auditor's resignation and Assure's delay in filing its annual financial statements for the year ended December 31, 2017 and related MD&A, the British Columbia Securities Commission ("BCSC") granted a MCTO on May 1, 2018, restricting trading in securities of Assure by management until the annual filings have been completed. Assure subsequently also failed to file its financial statements for Q1 2018 and related MD&A in time. As a result, the BCSC imposed a failure-to-file cease trade order ("FTF CTO") on the company with effect from August 7, 2018 and the TSX Venture Exchange suspended trading in securities of the company on August 8, 2018. The MCTO and the FTF CTO were revoked on August 20, 2018. Canagold's proxy circular dated June 13, 2022, for the upcoming meeting, failed to disclose the MCTO as required by securities laws.

MR. COOKE AND THE BOARD HAVE A FLAGRANT DISREGARD FOR GOOD GOVERNANCE YET REWARD THEMSELVES AT THE EXPENSE OF SHAREHOLDERS

Under Mr. Cooke and the incumbent Board, there have been decades of underperformance, ongoing

shareholder value destruction, inexplicable trading of Canagold shares and eroding of good governance practices.

Despite all this, Mr. Cooke and the Board have rewarded themselves and the Company's executives with hefty payouts:

- Mr. Cooke was rewarded with over \$2.6 million in cash
- The Board increased 2021 executive compensation plans, with increases ranging from 173% to 355%
- In 2021, the Board also gave themselves an 1,127% increase in the value of directors' fees. Mr. Cooke's director fees increased by a whopping 685% to \$199,497 from \$25,400. Now, the Board is looking to reload their stock option plan and dilute shareholders by 20% - a plan that Institutional Shareholder Services Inc. ("ISS"), an independent, third-party proxy advisor, recommended that shareholder vote AGAINST.
- Canagold's Compensation Committee reviews the compensation of senior officers and management, and the Board provides approvals, without any formal objectives, criteria and analysis. Mr. Cooke sits on the Compensation Committee, contrary to good corporate governance practices.

STOP MR. COOKE AND THE BOARD'S DESTRUCTION OF CANAGOLD: VOTE THE BLUE PROXY TODAY

Enough is enough. Directors have a fiduciary duty to their companies. Mr. Cooke and Mr. Burian have inexplicable trading activity, with multiple occasions of selling shares before the release of significant information; shares are then bought back at a discount.

Sun Valley has the right plan and the resources to turn Canagold around. As announced on July 7, 2022, ISS recommends Canagold shareholders vote FOR change using Sun Valley's BLUE proxy only.

Don't wait, voting is fast and easy. Following the discovery of such unconscionable governance issues, many shareholders who previously voted for management are eager to change their vote to the BLUE proxy FOR Sun Valley's nominees. To vote the BLUE proxy, please contact Kingsdale Advisors at 1-888-213-0093 or at contactus@kingsdaleadvisors.com.

Please vote well in advance of the proxy voting deadline of Thursday, July 14, 2022, at 5:00 p.m. ET.

Advisors

Kingsdale Advisors is acting as strategic shareholder and communications advisor to Sun Valley. McMillan LLP is acting as legal counsel to Sun Valley.

About Sun Valley

Sun Valley is a private equity firm focussed on the precious metals industry with portfolio companies and branch offices in the Americas, Europe and Asia. Sun Valley seeks to invest in sustainable development projects and operations with growth potential, low cash costs of production, or the operating flexibility to insulate against volatility in the commodity markets.

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