



CANADIAN GOLD RESERVES

RÉSERVE D'OR CANADIENNE

Redemption of ETRs

All references in the text below, unless otherwise stated, refer to the gold ETR Certificate which can be found on the Program Website.

1. Redemption of ETRs

(a) ETRs may be redeemed once per month at the option of the ETR Holder for cash or, subject to a minimum redemption of 10,000 ETRs, physical gold bullion. Redemptions may be made on the 15th day of each month (or, if not a Business Day, on the next succeeding Business Day) (each, a "Redemption Date").

(b) Following each Redemption Date in which one or more redemptions have occurred, the redeemed ETRs will be delivered to the Transfer Agent for cancellation. ETRs submitted for redemption but not yet cancelled shall cease to be treated as "Outstanding ETRs" from and after the applicable Redemption Date unless the redemption price is not paid within 10 Business Days of such date.

(c) The Mint shall provide ETR Holders with at least 90 days' prior notice, in accordance with Section 13 in the event that (i) the redemption fees set out in the Fee Schedule are to be varied by the Mint or (ii) the Mint proposes to introduce a fee charged to ETR Holders redeeming ETRs for cash in accordance with Section 7. Any cash redemption fee introduced by the Mint shall be limited to offsetting increased processing or administrative costs associated with cash redemptions.

2. Redemptions for Cash

(a) To redeem ETRs for cash, an ETR Holder shall deliver to its CDS Participant a Cash Redemption Notice (or such other notice as is deemed acceptable by such CDS Participant) indicating the ETR Holder's intention to redeem ETRs for cash. The CDS Participant shall forward, on behalf of the redeeming ETR Holder and via CDS, an electronic direction representing such ETR Holder's Cash Redemption Notice to the Transfer Agent. Such electronic direction must be received by the Transfer Agent no later than 5:00 p.m., Toronto time, on the fifth Business Day immediately preceding a Redemption Date. Any electronic direction representing a Cash Redemption Notice received after such time shall be processed on the following Redemption Date. ETR Holders should consult their respective CDS Participants regarding deadlines or requirements independent of those described herein in respect of cash redemptions.

(b) The cash redemption price (the "Cash Redemption Price") per ETR is equal to 95% of the lesser of (i) the VWAP on the Redemption Date as calculated by the Mint, subject to rounding up or rounding down by an amount of not more than C\$0.01 as determined by the Mint in its sole discretion and (ii) the NAV per ETR on the Redemption Date.

(c) Upon receipt by the Transfer Agent of an electronic direction representing an ETR Holder's Cash Redemption Notice:

- (i) the Mint shall determine the amount of the Cash Redemption Price in accordance with Section 7(b) (which determination shall be final and binding absent manifest error); and
- (ii) the Mint shall deliver, via the Transfer Agent and CDS, the Cash Redemption Price, payable in Canadian dollars or U.S. dollars at the election of the redeeming ETR Holder, to the account of the ETR Holder's CDS Participant within 10 Business Days after the applicable Redemption Date.

(d) Upon delivering a Cash Redemption Notice (or such other notice as is deemed acceptable by such CDS Participant) to its CDS Participant and thereby instructing such CDS Participant to deliver, via CDS, to the Transfer Agent an electronic direction representing its Cash Redemption Notice, such ETR Holder shall be deemed to have appointed its CDS Participant to act as its exclusive settlement agent with respect to the redemption and the receipt of the Cash Redemption Price. Upon receipt of such electronic direction by the Transfer Agent, such ETR Holder shall be deemed to have surrendered its ETRs for redemption. Upon receipt of the Cash Redemption Price in accordance with Section 7(c)(ii) CDS will deliver the ETRs redeemed for cash to the Transfer Agent for cancellation as and from the applicable Redemption Date.

3. Redemptions for Physical Gold Bullion

(a) An ETR Holder may redeem ETRs for physical gold bullion, which physical gold bullion may (i) be delivered to the ETR Holder ("Physical Gold Bullion Delivery") or (ii) be sold to one or more third party purchasers (a "Facilitated Sale"), at a price equal to the product of (A) the Gold Price on the date of the Facilitated Sale and (B) the amount of physical gold bullion, in fine troy ounces, to which the redeeming ETR Holder is entitled upon physical redemption less the physical gold bullion equivalent of the Facilitated Sale Fee, with the U.S. dollar proceeds of such sale to be returned to the ETR Holder.

(b) To redeem ETRs for physical gold, an ETR Holder shall deliver a Physical Gold Redemption Notice to its CDS Participant instructing such CDS Participant to deliver such Physical Gold Redemption Notice, indicating the ETR Holder's intention to redeem ETRs for physical gold bullion, to the Transfer Agent on behalf of the ETR Holder. A Physical Gold Redemption Notice must be received by the Transfer Agent no later than 5:00 p.m., Toronto time, on the fifth Business Day immediately preceding a Redemption Date. Any Physical Gold Redemption Notice received after such time shall be processed on the following Redemption Date. Each Physical Gold Redemption Notice shall be delivered to the Transfer Agent by an ETR Holder's CDS Participant in accordance with Section 14 and must be guaranteed by a chartered bank or by a member of an acceptable Medallion Guarantee Program to be deemed valid by the Transfer Agent and the Mint. ETR Holders should consult their respective CDS Participants regarding deadlines or requirements independent of those described herein in respect of redemptions for physical gold bullion. In the event that the ETR Holder has selected a Facilitated Sale, such ETR Holder must complete and append a Facilitated Sale Direction to its Physical Gold Redemption Notice and, accordingly, all references to "Physical Gold Redemption

Notice" in this Certificate shall be interpreted to include a completed Facilitated Sale Direction in the case of a Facilitated Sale.

(c) The Physical Gold Redemption Notice must be for a minimum of 10,000 ETRs, and the redeeming ETR Holder may elect to receive one or more of the following Mint products with a minimum purity of 99.99%: (i) one ounce gold Maple Leaf coins (in increments of 10); (ii) kilobars; and (iii) London Good Delivery Bars; provided, however, that for any Facilitated Sale, the Mint shall fabricate physical gold bullion in such Mint products and such relative quantities as is necessary to minimize the Physical Redemption Fees payable by the redeeming ETR Holder.

(d) Each Physical Gold Redemption Notice requesting Physical Gold Bullion Delivery shall: (i) specify the number of ETRs to be redeemed; (ii) specify the type of Mint product(s) the redeeming ETR Holder elects to receive and, if more than one, the relative amount of each Mint product, expressed as an approximate percentage of the total physical gold bullion redeemed; (iii) request to remove the specified ETRs from CDS to the Direct Registration System; (iv) specify the name, email address and telephone number of the Carrier to whom the Mint shall remit the physical gold bullion redeemed; and (v) propose a Business Day on which the Carrier will pick-up the physical gold bullion redeemed, which date shall not be earlier than 5 Business Days nor later than 10 Business Days after the applicable Redemption Date.

(e) Each Physical Gold Redemption Notice requesting a Facilitated Sale shall: (i) specify the number of ETRs to be redeemed; (ii) request to remove the specified ETRs from CDS to the Direct Registration System; and (iii) attach a completed Facilitated Sale Direction, specifying certain information about the redeeming ETR Holder and the U.S. dollar account information of such ETR Holder's CDS Participant.

(f) Upon receipt of a valid Physical Gold Redemption Notice by the Transfer Agent and removal of the ETRs from CDS to the Direct Registration System, the ETR Holder shall be deemed to have irrevocably surrendered its ETRs for redemption.

(g) Any Physical Gold Redemption Notice that does not meet the requirements of this Section 8 as determined by the Transfer Agent and the Mint, in their sole discretion, will for all purposes be void and of no effect, the request to remove the applicable ETRs to the Direct Registration System will be rejected and the redemption privilege to which it relates will be considered for all purposes not to have been exercised thereby. In such case, the Transfer Agent, on behalf of the Mint, shall provide a notice to the applicable ETR Holder in accordance with Section 13 within 10 Business Days after the applicable Redemption Date explaining the deficiency in the Physical Gold Redemption Notice.

(h) Upon receipt of a duly completed and delivered Physical Gold Redemption Notice and following the corresponding Redemption Date:

- (i) the Mint shall determine the amount of physical gold bullion and the amount of cash for fractional amounts to which the redeeming ETR Holder is entitled and the amount of Physical Gold Redemption Fees payable by such redeeming ETR Holder. The Mint shall provide such

information by notice to the redeeming ETR Holder in accordance with Section 13 no later than the fifth Business Day after the applicable Redemption Date;

- (ii) in the case of Physical Gold Bullion Delivery, the notice contemplated in Section 8(h)(i) shall also confirm the Business Day on which the ETR Holder's physical gold bullion will be available for pick up by the Carrier appointed by the redeeming ETR Holder (the "Pick-Up Date"). The Mint reserves the right to select an alternate Pick-Up Date from that proposed by the redeeming ETR Holder in its Physical Gold Redemption Notice;
- (iii) in the case of a Facilitated Sale, the notice shall also include (A) the date that the Facilitated Sale occurred, (B) the amount, in fine troy ounces, of physical gold bullion to which the redeeming ETR Holder was entitled, (C) the amount, in fine troy ounces, of physical gold bullion sold to one or more third party purchasers (being the amount of physical gold bullion to which the redeeming ETR Holder was entitled less the physical gold bullion equivalent of the Facilitated Sale Fee), (D) the London P.M. fix gold price at which the Facilitated Sale occurred, (E) the proceeds of the Facilitated Sale, and (F) all fees incurred in connection with the physical redemption, including applicable Physical Redemption Fees and the Facilitated Sale Fee. The Facilitated Sale will be conducted in U.S. dollars and the proceeds of the Facilitated Sale will be paid in U.S. dollars;
- (iv) the ETRs representing less than 10 fine troy ounces of physical gold bullion shall be redeemed for cash at the NAV per ETR on the Redemption Date and paid by cheque in the name of the redeeming ETR Holder, such cheque to be delivered by the Mint to the redeeming ETR Holder in accordance with Section 13 no later than 10 Business Days after the applicable Redemption Date;
- (v) the ETRs subject to a Physical Gold Redemption Notice shall be transferred from CDS to the Direct Registration System to be registered in the name of the ETR Holder as indicated on the Physical Gold Redemption Notice and the Transfer Agent shall deliver to the ETR Holder in accordance with Section 13 a DRS Advice notifying such ETR Holder that the ETRs evidenced thereby are being held by the Transfer Agent on a restricted basis;
- (vi) in the case of Physical Gold Bullion Delivery, the Mint shall remit the physical gold bullion to which the redeeming ETR Holder is entitled to the Carrier appointed by such ETR Holder at the Mint's Facility on the Pick-Up Date. For greater certainty, the Carrier will receive the physical gold bullion in connection with a redemption of ETRs in Ontario; and
- (vii) upon notice from the Mint confirming (i) in the case of Physical Gold Bullion Delivery, remittance to the Carrier of the physical gold bullion on

the Pick-Up Date or (ii) in the case of a Facilitated Sale, completion of the gold sale transaction facilitated by the Mint, the Transfer Agent shall cancel the ETRs on the Direct Registration System and deliver to the redeeming ETR Holder in accordance with Section 13 a DRS Advice notifying such ETR Holder that the ETRs have been cancelled.

(i) ETR Holders redeeming ETRs and requesting Physical Gold Bullion Delivery shall be responsible for arranging pick-up and delivery of the physical gold bullion from the Mint by a Carrier. The redeeming ETR Holder shall bear all expenses relating to the transportation and delivery of the physical gold bullion from the Mint's Facility to the location such ETR Holder determines. Upon remittance of the physical gold bullion representing the redeemed ETRs into the custody of the Carrier, the Mint shall be relieved of all liability for loss of, and damage to, such physical gold bullion and the ETR Holder shall have no recourse against the Mint for loss or damage thereafter.

(j) All payments and remittances by the Mint under this section shall be made net of Physical Gold Redemption Fees and Facilitated Sale Fees, as applicable. The Mint shall deduct Physical Gold Redemption Fees from the cash payable in lieu of physical gold bullion. If the cash payable is insufficient to cover the Physical Gold Redemption Fees, the Mint may, at its sole discretion, reduce the quantity of physical gold bullion to which the redeeming ETR Holder is entitled in order to ensure that the Physical Gold Redemption Fees are payable with the residual cash upon redemption of physical gold bullion. To do so, the Mint may: (i) select a London Good Delivery bar of a lesser weight, (ii) reduce the number of one ounce gold Maple Leaf coins to which a redeeming ETR Holder is entitled or (iii) take such other steps as the Mint deems reasonable in the circumstances. In the case of a Facilitated Sale, the Mint shall deduct an amount of physical gold bullion equal to the Facilitated Sale Fee from the redeeming ETR Holder's physical gold bullion prior to conducting the Facilitated Sale. Upon settlement of the Facilitated Sale, the Mint shall arrange for the delivery of the U.S. dollar proceeds of the Facilitated Sale to the U.S. dollar account of the redeeming ETR Holder's CDS Participant, as directed on the Facilitated Sale Direction.

4. Suspension of Redemptions

(a) The Mint may suspend the right of an ETR Holder to redeem its ETRs or postpone the date of delivery or payment of the redemption proceeds (whether physical gold bullion and/or cash, as the case may be) for any period during which the Mint determines that conditions exist which render impractical the fabrication, evaluation or sale of gold or which impair the ability of the Mint to determine the value of the gold bullion owned by the ETR Holder or the redemption amount for the ETRs. Any declaration of suspension made by the Mint shall be conclusive.

(b) In the event of a suspension, the Mint shall issue a press release announcing the suspension of redemptions as soon as practicable thereafter and post such press release to the Program Website and notify the Transfer Agent. The suspension shall terminate all requests for redemption received prior to the suspension, but for which payment has not been made, and to all requests received while the suspension is in effect. ETR Holders whose redemptions have been suspended shall be notified of the suspension by the Transfer Agent within 10 Business Days of

the date of the suspension in accordance with Section 13 and that the requested redemption has been so terminated. For greater certainty, ETRs transferred to the Direct Registration System but for which payment has not been made (and therefore are not yet cancelled) will be returned to the non-certificated inventory system of CDS in the event of a suspension.

(c) The suspension shall terminate when the Mint has determined that the condition giving rise to the suspension no longer exists, provided that no other condition under which a suspension is authorized then exists, at which time the Mint shall: (i) issue a press release announcing the termination of the suspension as soon as practicable thereafter and post such press release to the Program Website; (ii) notify the Transfer Agent; and (iii) provide notice within 10 Business Days of the date of the termination of the suspension in accordance with Section 13 to those ETR Holders whose redemptions were terminated as a result of the suspension.