



FORM 51-102F6V

**STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUERS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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The information contained in this statement of executive compensation (the “**Statement**”) of Northern Lion Gold Corp. (the “**Corporation**”), unless otherwise indicated, is as of June 14, 2018.

**Forwarding Looking Information**

Certain statements contained in this Statement may constitute “forward-looking information” as the term is defined under applicable securities laws. The forward-looking information includes, without limitation, the Corporation’s intentions and plans with respect to compensation of its executive officers and directors and other statements concerning anticipated future events, conditions or results that are not historical facts. These statements reflect management’s current estimates, beliefs, intentions and expectations; they are not guarantees of future performance. The Corporation cautions that all forward-looking information is inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond the Corporation’s control. Such factors include, among others, risks and uncertainties relating to exploration and development; risks arising as a result of the Corporation’s previous operations in Cyprus; the ability of the Corporation to obtain additional financing; the Corporation’s limited operating history; the need to comply with environmental and governmental regulations; potential defects in title to the Corporation’s properties; fluctuations in currency exchange rates; fluctuating prices of commodities; operating hazards and risks; competition; and other risks and uncertainties. Accordingly, actual future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward-looking information. All statements are made as of the date hereof and, except as required by law, the Corporation is under no obligation to update or alter any forward-looking information.

**Definitions:** For the purpose of this Statement:

“*company*” includes other types of business organizations such as partnerships, trusts and other unincorporated business entities.

“*compensation securities*” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted share units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries.

“*external management company*” includes a subsidiary, affiliate or associate of the external management company.

“*Named Executive Officer*” or “*NEO*” means each of the following individuals:

- (a) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer (“**CEO**”);
- (b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer (“**CFO**”);

- (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of National Instrument 51-102, for that financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of that financial year.

“*plan*” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons.

“*underlying securities*” means any securities issuable on conversion, exchange or exercise of compensation securities.

### Director and Named Executive Officer compensation, excluding compensation securities

The following table provides a summary of compensation paid, directly or indirectly, for each of the two most recently completed financial years, to the directors and NEOs of the Corporation, other than compensation securities:

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites <sup>(1)</sup> (\$)	Value of all other compensation (\$)	Total compensation (\$)
Luke Norman President, CEO and Director <sup>(2)</sup>	2017	45,000 <sup>(3)</sup>	Nil	Nil	Nil	Nil	45,000
John Lando Director (former President, CEO and Secretary) <sup>(4)</sup>	2017	45,000 <sup>(5)(6)</sup>	Nil	Nil	Nil	Nil	45,000
	2016	22,500 <sup>(5)</sup>	Nil	Nil	Nil	Nil	22,500
Tammy Gillis CFO	2017	12,000	Nil	Nil	Nil	Nil	12,000
	2016	30,395	Nil	Nil	Nil	Nil	30,395
Lyle Brown Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Mark Bailey (former director) <sup>(7)</sup>	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil

- (1) The value of perquisites received by each of the Named Executive Officers and directors, including property or other personal benefits provided to the Named Executive Officers and directors that are not generally available to all employees, were not in the aggregate greater than \$15,000.
- (2) Mr. Norman was elected as a director of the Corporation on December 12, 2017 and appointed President and CEO on December 20, 2017. Prior to his appointment as President and CEO, Mr. Norman was engaged, as an independent contractor, to provide consulting services to the Corporation commencing on July 1, 2017.
- (3) For the period July 1, 2017 to December 31, 2017.
- (4) Mr. Lando stepped down as President and CEO of the Corporation on December 20, 2017.
- (5) This amount was paid or accrued to a private company controlled by Mr. Lando.
- (6) For the period January 1, 2017 to June 30, 2017.
- (7) Mr. Bailey ceased to be a director of the Corporation on December 12, 2017.

## External Management Companies

As of the date of this Statement, there are no contracts with external management companies in effect.

## Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to each Named Executive Officer or director during the most recently completed financial year ended December 31, 2017 for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries.

Compensation securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at financial year end (\$)	Expiry date
Luke Norman President, CEO and Director	N/A	N/A <sup>(1)</sup>	N/A	N/A	N/A	N/A	N/A
John Lando Director (former President, CEO and Secretary)	N/A	N/A <sup>(1)</sup>	N/A	N/A	N/A	N/A	N/A
Tammy Gillis CFO	N/A	N/A <sup>(1)</sup>	N/A	N/A	N/A	N/A	N/A
Lyle Brown Director	N/A	N/A <sup>(1)</sup>	N/A	N/A	N/A	N/A	N/A
Mark Bailey (former director)	N/A	N/A <sup>(1)</sup>	N/A	N/A	N/A	N/A	N/A

- (1) No compensation securities were held by any Named Executive Officer or director of the Corporation as of December 31, 2017 and no compensation securities were re-priced, cancelled and replaced, extended or otherwise materially modified during the Corporation's most recently completed financial year.

No compensation securities were exercised by any Named Executive Officer or director of the Corporation during the most recently completed financial year ended December 31, 2017.

## Stock Option Plans and Other Incentive Plans

On December 12, 2017, the shareholders of the Corporation adopted a new "rolling" stock option plan (the "**2017 Stock Option Plan**") in place of the Corporation's then "*fixed ceiling*" plan first adopted in 2003. At the time of adoption of the 2017 Stock Option Plan there were no stock options outstanding under the "fixed ceiling" plan.

The principal purposes of the 2017 Stock Option Plan are to provide the Corporation with the advantages of the incentive inherent in share ownership on the part of those persons responsible for the success of the Corporation; to create in those persons a proprietary interest in, and a greater concern for, the welfare and success of the Corporation; to encourage such persons to remain with the Corporation; to attract new talent to the Corporation; and to reduce the cash compensation the Corporation would otherwise have to pay.

The material terms of the 2017 Stock Option Plan are as follows:

1. The number of shares subject to each option is determined by the Corporation's board of directors (the "**Board**"), or if appointed, by a special committee of directors appointed from time to time by the Board, provided, at the time the options are granted, that:

- (a) the number of shares subject to option, in the aggregate, shall not exceed 10% of the Corporation's then issued shares;
  - (b) no more than 5% of the issued shares of the Corporation may be granted to any one optionee in any 12 month period (unless the Corporation has obtained "disinterested" shareholder approval);
  - (c) no more than 2% of the issued shares of the Corporation may be granted to any one consultant in any 12 month period; and
  - (d) no more than an aggregate of 2% of the issued shares of the Corporation may be granted to persons employed to provide "investor relations activities" in any 12 month period.
2. The exercise price of the options cannot be set at less than the last closing price of the Corporation's shares on the stock exchange on which the shares of the Corporation are then listed before the date on which the options are granted by the Corporation, less the maximum allowable discount from market as may be permitted under the policies of such exchange, if any, or such other minimum exercise price as may be required by such exchange.
  3. The options may be exercisable for a period of up to 10 years.
  4. All options are non-assignable and non-transferable and, if granted to "insiders" or at an exercise price less than market, will be legended with a four month exchange hold period commencing on the date the stock options are granted.
  5. The options shall be subject to such vesting requirements, if any, as may be determined by the Board from time to time provided that options granted to consultants performing "investor relations activities" must vest in stages over at least 12 months with no more than 1/4 of the options vesting in any three month period.
  6. Reasonable topping up of options granted to an individual will be permitted.
  7. The option can only be exercised by the optionee and only so long as the optionee is a director, officer, employee or consultant of the Corporation, any of its subsidiaries or a management company employee or within a reasonable period of time, not to exceed one year, after the optionee ceases to be in at least one of such positions to the extent that the optionee was entitled to exercise the option at the date of such cessation.
  8. In the event of death of an optionee, the option previously granted to him or her shall be exercisable as to all or any of the shares in respect of which such option has not previously been exercised at the date of the optionee's death (including the right to purchase shares not otherwise vested at such time), by the legal representatives of the optionee at any time up to and including (but not after) a date one year following the date of death of the optionee or the expiry time of the option, whichever occurs first.
  9. Options may provide that, in the event of the sale by the Corporation of all or substantially all of the property and assets of the Corporation or in the event of a take-over bid or tender offer for the shares of the Corporation, the optionees under such options shall be entitled, for a stated period of time thereafter, to exercise and acquire all shares under their option, including shares available under the option that are not otherwise vested at that time.
  10. Disinterested shareholder approval for any reduction in the exercise price of a previously granted option shall be obtained prior to the exercise of such option if the optionee is an "insider" of the Corporation at the time of the proposed reduction.

The policies of the TSX Venture Exchange (the "**Exchange**") require that shareholder approval for "rolling" stock option plans must be obtained annually. A copy of the 2017 Stock Option Plan is available for review under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

As at December 31, 2017, there were no stock options outstanding under the 2017 Stock Option Plan.

There are currently no other equity or non-equity incentive plan awards in place for the Corporation's Named Executive Officers or directors.

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

Luke Norman currently receives, as an independent contractor, a management fee of \$7,500 per month in his capacity as the President and CEO of the Corporation. See the table of compensation, excluding compensation securities, under the heading "*Director and Named Executive Officer compensation, excluding compensation securities*" above for details of the management and consulting fees paid to Mr. Norman during the fiscal year ended December 31, 2017.

During the year ended December 31, 2017, the Corporation paid a total of \$45,000 (\$7,500 per month) to a private company controlled by John Lando in respect of management services provided to the Corporation for the period January 1, 2017 to June 30, 2017. Mr. Lando ceased as the President and CEO of the Corporation on December 20, 2017.

Tammy Gillis currently works, as an independent contractor, for the Corporation as CFO on a month to month basis at a fee of \$1,000 per month.

As of the date of this Statement, there is no compensatory plan, contract or arrangement whereby a Named Executive Officer is entitled to receive any severance or termination payment from the Corporation or its subsidiaries, including periodic payments or instalments, in the event of the termination or constructive dismissal of the officer's employment with the Corporation or its subsidiaries or following a change of control of the Corporation.

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

#### *Director Compensation*

During the year ended December 31, 2017, the Corporation had no standard arrangements pursuant to which directors were compensated by the Corporation for their services in their capacity as directors except for the granting from time to time of incentive stock options in accordance with the 2017 Stock Option Plan and the policies of the Exchange. The granting of incentive stock options provides a link between director compensation and the Corporation's share price. It also rewards directors for achieving results that improve Corporation performance and thereby increase shareholder value. In making a determination as to whether a grant of long-term incentive stock options is appropriate, and if so, the number of options that should be granted, the Board will consider, inter alia, the number and terms of outstanding incentive stock options held by each director; the value in securities of the Corporation that the Board intends to award as compensation; the potential dilution to shareholders and the cost to the Corporation; general industry standards; and the limits imposed by the terms of the 2017 Stock Option Plan and the Exchange. Any "*interested*" director who is being considered for the grant of an option by the Corporation is required to declare his interest in such grant and abstain from voting thereon.

The granting of incentive stock options allows the Corporation to reward the directors' efforts to increase value for shareholders without requiring the Corporation to use cash from its treasury. The terms and conditions of the Corporation's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the 2017 Stock Option Plan, which are described under "*Stock Option Plans and Other Incentive Plans*" above.

As of the date of this Statement, no stock options have been granted to the Corporation's directors under the 2017 Stock Option Plan.

The directors may also be reimbursed for actual expenses reasonably incurred by them in the performance of their duties as directors.

Commencing January 1, 2018, the Corporation began paying a private company controlled by Lyle Brown a fixed fee of \$500 per month in consideration for Mr. Brown's services as an independent director of the Corporation.

### *Named Executive Officer Compensation*

The Corporation does not have a formal compensation program. However, the Board meets annually subsequent to the annual general meeting or more frequently as determined by the Board to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. The general objectives of the Corporation's compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; (c) provide a compensation package that enables the Corporation to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the Corporation's financial resources and the fact that it is a junior mineral exploration company without a history of revenues or earnings.

The Board generally considers three elements of compensation – a base fee for the current financial year, a discretionary cash bonus for the previously completed financial year and a grant of long-term incentive stock options.

Base fee is used to provide the Named Executive Officer with a set amount of money during the year with the expectation that they will perform their responsibilities to the best of their ability and in the best interests of the Corporation. The Board determines what the Named Executive Officer's base fee for the upcoming year will be, based on the overall performance of the Corporation, the performance of the Named Executive Officer, general trends in the industry and the Corporation's then financial resources.

The granting of incentive stock options provides a link between management compensation and the Corporation's share price. It also rewards management for achieving results that improve the Corporation's performance and thereby increase shareholder value. In making a determination as to whether a grant of long-term incentive stock options is appropriate, and if so, the number of options that should be granted, the Board will consider, inter alia, the number and terms of outstanding incentive stock options held by the Named Executive Officer; the value in securities of the Corporation that the Board intends to award as compensation; the potential dilution to shareholders and the cost to the Corporation; general industry standards; and the limits imposed by the terms of the 2017 Stock Option Plan and policies of the Exchange. The Corporation considers the granting of incentive stock options to be a particularly important element of compensation as it allows the Corporation to reward the Named Executive Officer's efforts to increase value for shareholders without requiring the Corporation to use cash from its treasury. The terms and conditions of the Corporation's stock option grants, including vesting provisions and exercise prices, are governed by the 2017 Stock Option Plan, which are described under "*Stock Option Plans and Other Incentive Plans*" above. As of the date of this Statement, no stock options have been granted to the Corporation's Named Executive Officers under the 2017 Stock Option Plan.

Finally, the Board will consider whether it is appropriate and in the best interests of the Corporation to award a discretionary cash bonus to the Named Executive Officer for the most recently completed financial year and if so, in what amount. A cash bonus may be awarded to reward extraordinary performance that has led to increased value for shareholders through property acquisitions or divestitures, the formation of new strategic or joint venture relationships and/or capital raising efforts. Demonstrations of extraordinary personal commitment to the Corporation's interests, the community and the industry may also be rewarded through a cash bonus.

Other than as described above there are no other perquisites provided to the Named Executive Officers.

Currently, the Corporation does not use specific benchmark groups in determining compensation or any element of compensation for the Named Executive Officers.

### **Pension Disclosure**

The Corporation does not have any pension, retirement or deferred compensation plans, including defined contribution plans.