

ASCOT RESOURCES LTD.

STATEMENT OF EXECUTIVE COMPENSATION

(for the year ended March 31, 2018)

The following information is presented in accordance with National Instrument 51-102 – *Continuous Disclosure Obligations* and Form 51-102F6 – *Statement of Executive Compensation*, and sets forth compensation for each NEO (as defined herein) and director of Ascot Resources Ltd. (the “**Company**”) during the financial year ending March 31, 2018. This statement of executive compensation (“**Statement of Executive Compensation**”) is dated for reference September 24, 2018.

GENERAL

Interpretation

For the purpose of this Statement of Executive Compensation:

“**CEO**” means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**CFO**” means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**equity incentive plan**” means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of IFRS 2 Share-based Payment;

“**incentive plan**” means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

“**incentive plan award**” means compensation awarded, earned, paid, or payable under an incentive plan;

“**NEO**” or “**named executive officer**” has the meaning set out under “Compensation Discussion and Analysis”;

“**non-equity incentive plan**” means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

“**option-based award**” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

“**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;

“**share-based award**” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

Currency

In this Statement of Executive Compensation, unless otherwise indicated, all dollar amounts and references to “\$” are to Canadian dollars.

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COMPENSATION DISCUSSION AND ANALYSIS

Named Executive Officers

For the purposes of this Statement of Executive Compensation, set out below are particulars of compensation paid to the following persons (the “**Named Executive Officers**” or “**NEOs**”) during the year ended March 31, 2018:

- (a) the Company’s chief executive officer (“**CEO**”);
- (b) the Company’s chief financial officer (“**CFO**”);
- (c) each of the Company’s three most highly compensated executive officers, including any of its subsidiaries, or three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) any additional individuals for whom disclosure would have been provided under (c) except that the individual was not serving as an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of the most recently completed financial year.

The Company’s NEOs for the most recently completed financial year ending March 31, 2018 were:

- Derek White, President and CEO, who joined the Company effective October 6, 2017;
- John Toffan, former President, CEO and director, who resigned effective October 6, 2017;
- Carol Li, CFO, who joined the Company effective November 2, 2017;
- Robert Evans, former CFO, Treasurer and Secretary, who resigned effective November 2, 2017;
- John Kiernan, Chief Operating Officer, who joined the Company effective October 7, 2017; and
- Rickki Kasum, former Project Manager at the Premier-Dilworth Project who resigned as an officer and director on November 14, 2017.

Reconstituting Management and the Board of Directors

Effective October 6, 2017, Mr. Derek White was appointed President and CEO of the Company. Mr. White succeeded Mr. Toffan who retired for health reasons as President and CEO effective the same date and later did not stand for director re-election at the 2017 annual general meeting of the Company. The appointment was made in connection with the appointment of two new directors, Rick Zimmer and James (Jim) Stypula. Mr. Zimmer was later appointed as non-executive chair of the board of directors of the Company (the “**Board**”). With the Company moving towards the next phase of its development, restarting the mine at the Premier-Dilworth Project, Mr. White’s extensive experience in mining along with the experience of the new board members will support the Company’s development.

Mr. White brings over 30 years of international experience in the mining industry to this role. Most recently, Mr. White acted as a Principal of Traxys Capital Partners LLP, a private firm specializing in the mining and materials sectors. Prior to joining Traxys, Mr. White was the President and CEO of KGHM International Ltd. from 2012 to 2015 overseeing six mining operations and four large development projects in Canada, the United States and Chile. He also held the positions of Executive Vice President, Business Development/CFO from 2004 to 2012 of Quadra FNX Mining Ltd. Mr. White has held executive positions in business development, operations and finance with BHP Billiton Plc, Billiton International Metals BV and Impala Platinum Holdings Ltd., in Vancouver, Toronto, London, The Hague, and Johannesburg. He is an ICSA Accredited Director and has served on a number of precious metal boards throughout his career. Mr. White holds an undergraduate degree in Geological Engineering from the University of British Columbia and is also a Chartered Accountant.

Mr. Zimmer has a degree in Mining Engineering and an MBA and has over 40 years of Canadian and international mining experience including exploration, development and mine operations (both underground and open pit). In the past, Mr. Zimmer served as: President and CEO of Far West Mining Ltd.; VP and Project Manager for Teck’s Pogo project in Alaska and General Manager of Teck’s Tarmoola gold mine in Australia; Mine Manager of Teck’s Afton copper-gold mine in British Columbia as well as acting in several senior mining roles throughout his career. Mr. Zimmer currently

serves as a director of Capstone Mining Corp., Alexco Resource Corp., and two private mining companies, one in Peru and the other in Canada.

Mr. Stypula is a businessman with over 30 years of experience and a former investment advisor and financier of mineral exploration and development companies in North and South America. Mr. Stypula was the former Chairman of the board of directors of Magellan Minerals Ltd. after its merger with Chapleau Resources Ltd. where he served as CEO and director. Mr. Stypula was also one of the founding directors of Far West Mining Ltd. Mr. Stypula has acted on numerous board committees and has a wealth of business experience related to the mining industry, especially with respect to the small cap gold sector.

Effective October 7, 2017, Mr. John Kiernan was appointed to the role of Chief Operating Officer. Mr. Kiernan is a professional mining engineer with over 30 years of operational development experience, including a cumulative four years as an underground miner and operating foreman. Previously, Mr. Kiernan served as the VP Project Development for Magellan Minerals Ltd., the Manager Project Evaluation for QuadraFNX Mining Ltd., as a Mining Analyst for PI Financial Corp. and VP Mining/Mine Manager for Roca Mines Inc. Mr. Kiernan holds a B.Sc. in Mining Engineering from Queen's University and an MBA from Laurentian University.

On November 2, 2017, Ms. Carol Li was appointed as Chief Financial Officer. Ms. Li is a Canadian Chartered Professional Accountant with over 20 years of financial and executive management experience, of which 14 years in mining. Ms. Li was formerly Vice President, Finance for KGHM International Ltd. from 2012 to 2017 and Corporate Controller for Quadra/QuadraFNX Mining Ltd. from 2004 to 2012. Mr. Bob Evans stepped down as CFO, Treasurer and Secretary on the same date and remains as a director of the Company.

On November 14, 2017, Mr. Kasum stepped down as an officer of the Company changing his employment relationship with the Company to that of a consultant. Mr. Kasum also did not stand for re-election for the Board.

On January 16, 2018, Mr. Don Njegovan was appointed to the Board when Capt. John Swann retired as a director of the Company. Mr. Njegovan, currently the Vice President of New Business Development at Osisko Mining, headquartered in Toronto, Canada, brings a wealth of experience in both the banking and mining sectors with senior roles held previously at Scotiabank and Hudson Bay Mining & Smelting Co., Limited. Mr. Njegovan holds a Bachelor of Science in Mining Engineering from Michigan Technological University and a Bachelor of Arts from the University of Manitoba. He was also a director of St. Andrew Goldfields Ltd. prior to its acquisition by Kirkland Lake Gold Ltd. in 2016.

Effective February 1, 2018 Mr. William (Bill) Bennett was appointed to the board. Mr. Bennett was a government MLA in British Columbia (“BC”) for 16 years in the Riding of Kootenay East. In addition to holding portfolios for Local Government and Tourism, Mr. Bennett was named BC Mines Minister three separate times over his 16 years. Mr. Bennett has a BA from the University of Guelph and a law degree from Queen’s University. Mr. Bennett is known across Canada for his knowledge of the mining industry in BC. He led the BC government’s efforts over many years to restore BC’s competitiveness for exploration investment, including having improved the BC Ministry of Energy & Mines permitting process and helping to launch BC’s First Nations mine revenue sharing program. There are few people in Canada who have such a strong combined knowledge of government processes, of the mining industry and of First Nations. Mr. Bennett also sits on the board of directors of Kutcho Copper Corp. and Eagle Plains Resources Ltd.

The board of directors of the Company is now composed of 6 independent directors and one non-independent director. The role of chair of the Board is also now independent of the position of President and CEO. In addition to the audit committee, the Board appointed a compensation committee; governance and nomination committee; health, safety, environmental and technical committee; and a disclosure committee.

Employment and Consulting Contracts

Mr. White entered into a consulting contract dated October 6, 2017. Ms. Li entered into a consulting contract dated November 2, 2017. Mr. Kiernan entered an employment contract on October 7, 2017. The consulting and employment agreements prescribe the terms of consulting/employment for each of Mr. White, Ms. Li and Mr. Kiernan and set out their base consulting fees or salary and eligibility for incentive-based awards (annual discretionary bonus and equity incentive grants).

The annual salary of each of Mr. White, Ms. Li and Mr. Kiernan are reviewed annually in the manner consistent with the *Compensation Philosophy and Objectives* and *Compensation Elements* below. The payment of bonuses and the grants made under incentive equity plans are at the discretion of the Board and are determined in accordance with the methodology described in the *Compensation Elements* below. Each Mr. White, Ms. Li and Mr. Kiernan have termination and change of control benefits as describe below in *Termination and Change of Control Benefits*.

Compensation Philosophy and Objectives

The Company's executive compensation program is designed to attract, motivate and retain high performing senior executives, encourage and reward superior performance and align the executives' interests with those of the Company's shareholders. During the year ended March 31, 2018 the compensation philosophy remained primarily the same as previous years with the two main elements of base salary and stock option awards. However, as described above, the Company experienced a major reconstruction of management and the board of directors over the last year. The new Board has been focused on good governance practices and appointed a compensation committee (the "**Compensation Committee**") on November 14, 2017 to assume the responsibilities for reviewing and approving corporate goals and objectives relevant to an NEO's compensation, evaluating the NEO's performance in light of those goals and objectives and making recommendations to the Board with respect to the NEO's compensation based on this evaluation. The Compensation Committee is composed entirely of three independent directors: James Stypula (Chair), Don Njegovan and Kenneth Carter.

The Compensation Committee monitors levels of executive remuneration to ensure overall compensation reflects the Company's objectives and philosophies. In mid 2018, the Compensation Committee set a new compensation philosophy to assist in compensating newly established corporate objectives as outlined below. In early 2018, the Company changed its financial year end to December 31 and the new compensation philosophy has been implemented to be effective for the year ended December 31, 2018.

The general objective of the Company's new compensation philosophy is to: (i) 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; (ii) align management's interests with the long-term interests of shareholders; (iii) provide a compensation package that is commensurate with other mining exploration companies in order to enable the Company to attract and retain talent; and (iv) ensure that the total compensation package is designed in a manner that takes into account the constraints under which the Company operates by virtue of the fact that it is an exploration company without a history of earnings.

The Compensation Committee annually reviews each of the components and relevant competitive factors listed below and makes recommendations to the Board based on corporate and individual performance, taking into account leadership abilities, retention, risk and succession plans. The CEO makes recommendation for all senior executives except for himself and only participates in discussions regarding senior executive compensation as requested by the Compensation Committee or the Board regarding this remuneration. The CEO does not participate in the decisions of the Board in approving compensation.

The Company's new compensation philosophy is to target a higher pay at risk for the NEO (65%+ range vs. the peer group of 55%). Accordingly, where possible the Company will target the second lowest quartile on cash compensation (salary + STIP) and above the 75th percentile on total compensation.

Compensation Elements

Under the new compensation philosophy, the compensation of the NEOs consists of three main components: base salary or consulting fees, short-term incentive compensation (discretionary annual cash bonuses) ("**STIP**") and long-term incentives, currently in the form of stock options ("**LTIP**"). The following discussion describes the components of compensation and discusses how each component relates to the Company's overall executive compensation objective.

Base Salary: The primary element of the Company's compensation program is base salary or consulting fee. The Company's view is that a competitive base salary or consulting fee is a necessary element for retaining qualified executive officers. Base salary or consulting fees are established by taking into account level of skills, expertise and capabilities demonstrated by the senior executives, individual performance and experience, level of responsibility and

competitive pay practices by comparable junior natural resource issuers. Base salary or consulting fees are reviewed annually by the Board and are adjusted, if appropriate to reflect performance and market changes taking into account the recommendation of the Compensation Committee.

Short-Term Incentives: Performance bonuses are payable in cash and the amount payable is based on the Compensation Committee's assessment of the Company's performance for the year. Factors considered in determining bonus amounts generally include individual performance, financial criteria (such as successful financings, project management performance) and operational criteria (such as significant mineral property acquisitions, successful mineral property exploration and development as well as health, safety and environmental requirements, resource growth, and the attainment of other corporate milestones).

In determining to award performance bonuses, including the amounts thereof, the Board uses its discretion and takes into consideration the Company's annual achievements, without assigning any quantifiable weight or factor in respect of any particular achievement or corporate milestone. It is the intention of the Board that the short-term incentive program be linked to the corporate objectives recommended by the Compensation Committee and approved by the Board.

Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day to day corporate activities, will trigger the award of a bonus payment to the NEOs. The NEOs will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Compensation Committee's assessment of overall performance. The determination as to whether a target has been met is ultimately made by the Board.

The Board will reserve the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate.

Long-Term Incentives: The Company provides for equity participation in the Company through its Option Plan. The granting of stock options is designed to give each option holder an interest in reserving and maximizing shareholder value in the longer term, to enable the Company to attract and retain individuals with experience and ability, and to reward individuals for current performance and expected future performance.

The Company established the Option Plan in order to attract and retain directors, executive officers and employees who will be motivated to work towards ensuring the success of the Company. Proposed grants are submitted by the Compensation Committee to the Board for approval. Prior grants to executive officers are taken into consideration when considering new grants. The Board administers the Option Plan and has the authority to amend the plan, subject to applicable shareholder and regulatory approvals.

A NEO or director is not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. The Board has not considered risks associated with the Company's compensation policies and practices.

Corporate Objectives

The Board has approved the following Corporate objectives for 2018.

- i. Complete NI 43-101 underground resources with a minimum resource identified to restart operations;
- ii. Complete an engineering study that defines the capital and operating cost to restart the mill and underground mining operation based on the resources identified in (i) above;
- iii. Rectify all the governance issues of the company to appropriate standard;
- iv. Complete the environmental surety bonding, permit transfer and purchase agreement with Boliden;
- v. Increase the investor awareness by adding new analysts and increasing the average trading volumes; and
- vi. Manage the company cost within +/- 10% of the approved budget or forecast as determined by the Board.

Comparator Group

Comparative data for the Company's peer group is accumulated by the Compensation Committee from a number of external sources. The initial peer group selected by the Compensation Committee will be reviewed on an annual basis to ensure that it is relevant to the Company's growth and is as follows:

Auryn Resources Barkerville Gold mines Falco Resources Harte Gold Frist Mining Gold	IDM mining Imperial metals Marathon gold Midas Gold Nighthawk Gold Corp. Probe Metals	Pure Gold Sabina Gold Orca Gold Trilogy Metals Victoria Gold
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SUMMARY COMPENSATION TABLE

The following table is a summary of compensation paid to the NEOs for each of the Company's three most recently completed financial years ended March 31, 2016, March 31, 2017 and March 31, 2018:

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Derek C. White ⁽³⁾ <i>President & CEO</i>	2018	Nil	Nil	4,763,848	Nil	Nil	Nil	125,000 ⁽⁶⁾	3,499,392
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
John A. Toffan ⁽³⁾ <i>Former President & CEO</i>	2018	Nil	Nil	Nil	Nil	Nil	Nil	260,000 ⁽⁹⁾	260,000
	2017	Nil	Nil	1,083,544	Nil	Nil	Nil	365,000 ⁽⁵⁾	1,448,554
	2016	Nil	Nil	Nil	Nil	Nil	Nil	200,000 ⁽⁶⁾	200,000
Carol Li ⁽⁴⁾ <i>CFO</i>	2018	Nil	Nil	307,862	Nil	Nil	Nil	36,250 ⁽⁶⁾	344,112
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Robert A. Evans ⁽⁴⁾ <i>Former Secretary/ Treasurer/ CFO</i>	2018	195,000	Nil	Nil	Nil	Nil	Nil	100,000 ⁽²⁾	295,000
	2017	215,000	Nil	1,083,554	Nil	Nil	Nil	150,000 ⁽⁷⁾	1,448,554
	2016	200,000	Nil	Nil	Nil	Nil	Nil	Nil	200,000
John Kiernan ⁽⁶⁾ <i>Chief Operating Officer</i>	2018	73,333	Nil	607,391	Nil	Nil	Nil	Nil	512,003
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ricki L. Kasum ⁽⁸⁾ <i>Former Project Manager at Dilworth and Premier</i>	2018	182,750	Nil	Nil	Nil	Nil	Nil	75,000 ⁽²⁾	257,750
	2017	200,576	Nil	663,636	Nil	Nil	Nil	Nil	864,212
	2016	180,294	Nil	Nil	Nil	Nil	Nil	Nil	180,294

Notes:

(1) The Company uses the Black-Scholes option pricing model to calculate the fair value of option based awards. The model requires six key inputs: risk free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life and expected

volatility, all of which, other than the exercise price and market price, are estimates by management of the Company. The Black-Scholes model was used to compute option fair values because it is the most commonly used option pricing model and is considered to produce a reasonable estimate of fair value.

(2) Severance payment

(3) Mr. White was appointed as President and CEO on October 6, 2017, the same date that Mr. Toffan resigned as President and CEO. Mr. Toffan also subsequently did not stand for director re-election in December 2017.

(4) Ms. Li was appointed as CFO on November 2, 2017 concurrent with Mr. Evans resigning as CFO, Treasurer and Corporate Secretary

(5) Consists of consulting fees in the amount of \$215,000 and a bonus in the amount of \$150,000.

(6) Consulting fees paid to the NEO.

(7) Consists of a bonus paid to the NEO.

(8) Mr. Kasum stepped down as a director of the Company on November 14, 2017 and took the role of consultant of the Company.

(9) Consists of consulting fees in the amount of \$130,000 and a severance payment in the amount of \$130,000.

(10) During the year ended March 31, 2018, Messrs. Toffan, Evans and Kasum did not receive additional compensation for performing director duties with exception to any proportionate consideration (severance described herein) given in good faith for length of tenure as an officer and director.

INCENTIVE PLAN AWARDS

Outstanding share-based awards and option-based awards

The following table sets out the option-based awards made by the Company to the NEOs which were outstanding as at March 31, 2018. Further details about the granting of options and determination of their terms are discussed under “*Compensation Discussion and Analysis – Compensation Elements – Option-based Awards*”.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Derek C. White	5,000,000	1.60	Oct. 6, 2022	Nil	2,333,334	Nil	Nil
John A. Toffan	600,000	0.95	Sept. 17, 2018	180,000	Nil	Nil	Nil
	750,000	0.88	June 20, 2019	277,500	Nil	Nil	Nil
	500,000	1.68	July 21, 2021	Nil	Nil	Nil	Nil
	400,000	1.93	Feb. 14, 2022	Nil	Nil	Nil	Nil
Carol Li	400,000	1.30	Nov. 1, 2022	20,000	200,000	Nil	Nil
Robert A. Evans	600,000	0.95	Sept. 17, 2018	180,000	Nil	Nil	Nil
	750,000	0.88	June 20, 2019	277,500	Nil	Nil	Nil
	500,000	1.68	July 21, 2021	Nil	Nil	Nil	Nil
	400,000	1.93	Feb. 14, 2022	Nil	Nil	Nil	Nil
John Kiernan	600,000	1.70	Oct. 7, 2022	Nil	266,667	Nil	Nil
Rickki L. Kasum	600,000	0.95	Sept. 17, 2018	180,000	Nil	Nil	Nil
	600,000	0.88	June 20, 2019	222,000	Nil	Nil	Nil
	400,000	1.68	July 21, 2021	Nil	Nil	Nil	Nil
	150,000	1.93	Feb. 14, 2022	Nil	Nil	Nil	Nil

Note:

(1) Value of unexercised in-the-money options is calculated based upon the difference between the market value of the Company’s common shares as at March 31, 2018 of \$1.25 (closing price on the TSX Venture Exchange) and the exercise price of the options.

Incentive plan awards – value vested or earned during the year

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Derek C. White	3,374,394	Nil	Nil
John A. Toffan	Nil	Nil	Nil
Carol Li	202,034	Nil	Nil
Robert A. Evans	Nil	Nil	Nil
John Kiernan	438,670	Nil	Nil
Rickki L. Kasum	Nil	Nil	Nil

Note:

⁽¹⁾ All options vest immediately and are granted at the market price. The weighted average fair value at grant date of options vested during the year ended March 31, 2018 was \$0.93 (2017: 1.86).

Discussion of plan-based awards

During the financial year ended March 31, 2018, directors and officers exercised stock options as follows: 80,000 at \$0.95; and 50,000 at \$0.88. In addition, during the financial year ended March 31, 2018, the Company granted stock options in the amounts of: 5,400,000 at \$1.60; 600,000 at \$1.70; 100,000 at \$1.51; 120,000 at \$1.48; 670,000 at \$1.30; 200,000 at \$1.31 and 350,000 at \$1.37.

The Board administers the Company’s Option Plan and, as such, all proposed stock option grants are submitted to the Board for their approval. In considering new grants, the Board considers prior grants made to directors and executive officers. As previously noted, in November 2017 the Board appointed a Compensation Committee which will recommend stock option grants to the Board for approval in the future.

PENSION PLAN BENEFITS

The Company has not established any pension plans or deferred compensation plans for directors and executive officers that provide for payments or benefits at, following, or in connection with retirement.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Description of Termination and Change of Control Benefits

The Company has employment and consulting agreements in place with each of Mr. White, Ms. Li and Mr. Kiernan which provided for certain termination and change of control benefits and are summarized below:

Derek C. White

Mr. White is entitled to terminate his consulting agreement with the Company by providing not less than ninety (90) days’ written notice. Upon such termination, the parties will have no further obligation to one another, except for the Company’s obligation to pay any outstanding invoices to Mr. White and, where the termination is not for cause, all outstanding stock options will vest and be fully exercisable.

If, within six (6) months immediately following a Change of Control (as defined herein), the Company terminates this consulting agreement, the Company will pay Mr. White a lump sum termination payment equal to eighteen (18) months of the monthly consulting fee.

Carol Li

Ms. Li is entitled to terminate her consulting agreement with the Company by providing not less than ninety (90) days' written notice. Upon such termination, the parties will have no further obligation to one another, except for the Company's obligation to pay any outstanding invoices to Ms. Li and, where the termination is not for cause, all outstanding stock options will vest and be fully exercisable.

If the Company terminates the consulting agreement as a result of a Change of Control (as defined herein), termination without cause or constructive dismissal, the Company agrees to enter a retention payment agreement to be negotiated in good faith with Ms. Li for a period of eighteen (18) months.

John Kiernan

Mr. Kiernan's employment contract can be terminated without cause with six (6) months written notice or, in the Company's sole discretion, can be terminated immediately upon written notice, at which time the Company shall pay Mr. Kiernan, in lieu of 6 months notice, an amount equal to the total of monthly base salary multiplied by eighteen (18) months plus a bonus equal to a percentage of the bonus earned the previous year multiplied by the base salary, or upon a combination of written notice and pay in lieu of.

If the Company terminates the employee agreement as a result of a Change of Control (as defined herein), Mr. Kiernan is entitled to termination pay of an amount equal to the total of monthly base salary multiplied by eighteen (18) months plus bonus equal to a percentage of the bonus earned the previous year multiplied by the base salary.

The Company had employment agreements in place with each of John A. Toffan, Robert A. Evans and Rickki L. Kasum which provided for certain termination and change of control benefits and are summarized below. In late 2017, the Company underwent a major reconstitution of management and the Board and the roles of each of John A. Toffan, Robert A. Evans and Rickki L. Kasum changed as described below.

John A. Toffan

Mr. Toffan's employment contract provided for twelve (12) months written notice or twelve (12) months base salary in lieu of such notice (at the Company's sole discretion) or any combination thereof. Mr. Toffan was entitled to terminate his employment with the Company by providing not less than ninety (90) days written notice, at which point the Company shall have the right to elect to terminate Mr. Toffan's employment at any time prior to the effective date of the resignation and, upon such election, shall provide Mr. Toffan a lump sum equal to his base salary for the notice period required to be provided by Mr. Toffan or to such proportion of that notice period that remains outstanding at the time of the election and shall continue to provide all medical and healthcare benefits that the Company is permitted or able to provide under the applicable rules of the relevant plans for the lesser of the applicable notice period or the period of time that remains outstanding at the time of the Company's election.

If, within twelve (12) months immediately following a Change of Control (as defined herein), Mr. Toffan elects to terminate his employment, Mr. Toffan's employment agreement provides for a severance payment of twelve (12) months salary and all unvested options vest immediately.

Mr. Toffan stepped down as President and CEO in October 2017 due to health issues and later did not stand for re-election as a director. Mr. Toffan remains as a consultant to the Company. At the time of his resignation, Mr. Toffan was paid \$130,000 as severance, in good faith due to the length of time he served to the Company.

Robert A. Evans

Mr. Evans' employment contract provided for twelve (12) months written notice or twelve (12) months base salary in lieu of such notice (at the Company's sole discretion) or any combination thereof. Mr. Evans was entitled to terminate his employment with the Company by providing not less than ninety (90) days written notice, at which point the Company shall have the right to elect to terminate Mr. Evans' employment at any time prior to the effective date of the resignation and, upon such election, shall provide Mr. Evans a lump sum equal to his base salary for the notice period required to be provided by Mr. Evans or to such proportion of that notice period that remains outstanding at

the time of the election and shall continue to provide all medical and healthcare benefits that the Company is permitted or able to provide under the applicable rules of the relevant plans for the lesser of the applicable notice period or the period of time that remains outstanding at the time of the Company's election.

If, within twelve (12) months immediately following a Change of Control, Mr. Evans elects to terminate his employment, Mr. Evans' employment agreement provides for a severance payment of twelve (12) months salary and all unvested options vest immediately.

Mr. Evans stepped down as CFO, Treasurer and Corporate Secretary of the Company in November 2017. In lieu of notice, Mr. Evans was paid \$100,000 in February 2018 as termination pay. Mr. Evans remains as a director of the Company.

Rickki L. Kasum

Mr. Kasum's employment provided for twelve (12) months written notice or twelve (12) months base salary in lieu of such notice (at the Company's sole discretion) or any combination thereof. Mr. Kasum may terminate his employment with the Company by providing not less than ninety (90) days written notice, at which point the Company shall have the right to elect to terminate Mr. Kasum's employment at any time prior to the effective date of the resignation and, upon such election, shall provide Mr. Kasum a lump sum equal to his base salary for the notice period required to be provided by Mr. Kasum or to such proportion of that notice period that remains outstanding at the time of the election and shall continue to provide all medical and healthcare benefits that the Company is permitted or able to provide under the applicable rules of the relevant plans for the lesser of the applicable notice period or the period of time that remains outstanding at the time of the Company's election.

If, within twelve (12) months immediately following a Change of Control, Mr. Kasum elects to terminate his employment, Mr. Kasum's employment agreement provides for a severance payment of twelve (12) months salary and all unvested options vest immediately.

Mr. Kasum cancelled his employment contract and entered into a consulting contract with the Company in November 2017 and therefore the above termination and Change of Control benefits no longer apply. Mr. Kasum did not stand for re-election as a director. Mr. Kasum was paid termination pay in the amount of \$75,000 in good faith due to the time he served to the Company as an officer and director.

"Change of Control"

A "**Change of Control**" is defined in such employment agreements as any of the following:

- (a) at least 50% in fair-market value of all the assets of the Company are sold; or
- (b) there is direct or indirect acquisition by a person or group of persons (excluding the respective employee or any person associated with the respective employee) acting jointly or in concert of voting securities of the Company that when taken together with any voting securities owned directly or indirectly by such person or group of persons at the time of the acquisition, constitute 40% or more of the outstanding voting securities of the Company; or
- (c) a majority of the then-incumbent board of directors' nominees for election to the board of directors of the Company are not elected at any annual or special meeting of shareholders of the Company; or
- (d) a liquidation, dissolution or winding-up of the Company; or
- (e) the amalgamation, merger or arrangement of the Company with or into another where the shareholders of the Company immediately prior to the transaction will hold less than 51% of the voting securities of the resulting entity upon completion of the transaction;

but does not include any transaction that may occur between the Company, any affiliate or subsidiary of the Company or, as applicable, any person associated with the Company or any affiliate or subsidiary of the Company, which, but for such relationship the transaction would otherwise constitute a Change of Control hereunder.

Other than as described above, the Company and its subsidiaries have no compensatory plans or arrangements with respect to the Named Executive Officers that results or will result from the resignation, retirement or any other termination of employment of such officers' employment with the Company or its subsidiaries, from a Change of Control of the Company and its subsidiaries or a change in the Named Executive Officers' responsibilities.

Estimated Incremental Payments

The following table sets forth the estimated incremental payments that would be made to each of the NEOs assuming that termination occurred on March 31, 2018:

Name	Triggering Event	Payment pursuant to NEO Agreement (\$) ⁽⁴⁾⁽⁵⁾⁽⁶⁾	Payment pursuant to accelerated vesting of options triggered by termination	Total (\$)
Derek C. White	Termination without cause by the Company	375,000	Nil	375,000
	Termination by employee	Nil	Nil	Nil
	Change of Control	375,000	Nil	375,000
John A. Toffan ⁽¹⁾	Termination without cause by the Company	Nil	Nil	Nil
	Termination by employee	Nil	Nil	Nil
	Change of Control	Nil	Nil	Nil
Carol Li	Termination without cause by the Company	130,500	Nil	130,500
	Termination by employee	Nil	Nil	Nil
	Change of Control	130,500	Nil	130,500
Robert A. Evans ⁽²⁾	Termination without cause by the Company	Nil	Nil	Nil
	Termination by employee	Nil	Nil	Nil
	Change of Control	Nil	Nil	Nil
John Kiernan	Termination without cause by the Company	240,000	Nil	240,000
	Termination by employee	Nil	Nil	Nil
	Change of Control	240,000	Nil	240,000
Rickki L. Kasum ⁽³⁾	Termination without cause by the Company	Nil	Nil	Nil
	Termination by employee	Nil	Nil	Nil
	Change of Control	Nil	Nil	Nil

Notes:

- (1) Mr. Toffan resigned effective October 6, 2017 and therefore no future termination benefits are payable effective March 31, 2018.
- (2) Mr. Evans resigned effective November 2, 2017 and therefore no future termination benefits are payable effective March 31, 2018.
- (3) Mr. Kasum resigned as an employee on November 14, 2017 and therefore no future termination benefits are payable effective March 31, 2018.
- (4) Assuming the Company provides twelve (12) months' base salary in lieu of twelve (12) months' written notice upon termination.
- (5) Assuming the Company elects to terminate the employee's employment immediately upon receiving the employee's notice, resulting in base salary payable for ninety (90) days.
- (6) In no such circumstance will a NEO receive the benefit of more than one "Triggering Event."

DIRECTOR COMPENSATION

Director compensation table

The following table is a summary of compensation paid to non-NEO directors of the Company for the most recently completed financial year ended March 31, 2018:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total compensation (\$) ⁽¹⁾
Rick Zimmer	13,250	Nil	231,939	Nil	Nil	Nil	203,804
John Stypula	10,750	Nil	231,939	Nil	Nil	Nil	201,304
Don Njegovan	8,541	Nil	155,708	Nil	Nil	Nil	164,249
Bill Bennett	5,408	Nil	153,365	Nil	Nil	Nil	158,773
Kenneth M. Carter	8,250	Nil	Nil	Nil	Nil	Nil	8,250
Greg Gibson	8,250	Nil	40,839	Nil	Nil	Nil	49,089
L. John Swann ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) The Company uses the Black-Scholes option pricing model to calculate the fair value of option based awards. The model requires six key inputs: risk free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life and expected volatility, all of which, other than the exercise price and market price, are estimates by management of the Company. The Black-Scholes model was used to compute option fair values because it is the most commonly used option pricing model and is considered to produce a reasonable estimate of fair value. These numbers are calculated in accordance with section 3870 of the CICA handbook and are the same numbers as used in the Company's financial statements
- (2) Mr. Swann stepped down as a director on January 14, 2018.

Discussion of director compensation

Effective January 26, 2018, the Board approved director cash retainers as described in the table below. The directors of the Company do not receive any further cash compensation for attending Board meetings.

Base Retainer	\$33,000
Non-Executive Chair	\$15,000
Audit Committee Chair	\$8,000
Compensation Committee Chair	\$5,000
Governance and Nomination Committee Chair	\$5,000
Health, Safety, Environmental & Technical Committee Chair	\$5,000

Prior to the reconstitution of the Board in late 2017, directors could be compensated from time to time for consulting services provided. The compensation payable for consulting services was considered and approved by the Company's independent directors according to their understanding as to the amount of compensation that was reasonable in the circumstances. During the most recently completed financial year, the aggregate direct remuneration paid or payable by the Company to its directors for consulting services was nil.

Directors are eligible to receive stock options granted pursuant to the Company's Option Plan. The Board, as a whole, determines stock option grants for each director. During the most recently completed financial year, the Company granted incentive stock options to purchase an aggregate of 950,000 shares to its non-NEO directors.

Outstanding share-based awards and options-based awards

The following table sets out the option-based awards made by the Company to the non-NEO directors which were outstanding as at March 31, 2018.

Name	Option Based Awards				Share Based Awards		
	Number of securities underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed
Rick Zimmer	200,000	1.60	Oct. 6, 2022	Nil	Nil	Nil	Nil
	50,000	1.37	Feb. 1, 2023	Nil	Nil	Nil	Nil
James Stypula	200,000	1.60	Oct. 6, 2022	Nil	Nil	Nil	Nil
	50,000	1.37	Feb. 1, 2023	Nil	Nil	Nil	Nil
Don Njegovan	200,000	1.31	Jan. 16, 2023	Nil	Nil	Nil	Nil
Bill Bennett	200,000	1.37	Feb. 1, 2023	Nil	Nil	Nil	Nil
Kenneth M. Carter	150,000	0.95	Sept. 17, 2018	147,000	Nil	Nil	Nil
	150,000	0.88	June 20, 2019	157,500	Nil	Nil	Nil
	100,000	1.68	July 21, 2021	Nil	Nil	Nil	Nil
	100,000	1.93	Feb. 14, 2022	Nil	Nil	Nil	Nil
Greg Gibson	400,000	2.34	Aug 6, 2021	Nil	Nil	Nil	Nil
	50,000	1.37	Feb. 1, 2023	Nil	Nil	Nil	Nil
L. John Swann ⁽²⁾	120,000	0.95	Sept. 17, 2018	117,600	Nil	Nil	Nil
	50,000	0.88	June 20, 2019	52,500	Nil	Nil	Nil
	100,000	1.68	July 21, 2021	Nil	Nil	Nil	Nil
	100,000	1.93	Feb. 14, 2022	Nil	Nil	Nil	Nil

Note:

- (1) Value of unexercised in-the-money options is calculated based upon the difference between the market value of the Company's common shares as at March 31, 2018 of \$1.25 (closing price on the TSX Venture Exchange) and the exercise price of the options.
- (2) Mr. Swann stepped down as a director on January 14, 2018.

Incentive-based awards – value vested or earned during the year

The following table sets out the aggregate dollar value that would have been realized by each non-NEO director if he exercised, on the applicable vesting dates, those options held by him under option-based awards, which vested during the most recently completed financial year ended March 31, 2018.

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Rick Zimmer	231,939	Nil	Nil
James Stypula	231,939	Nil	Nil
Don Njegovan	155,708	Nil	Nil
Bill Bennett	153,365	Nil	Nil
Kenneth M. Carter	Nil	Nil	Nil
Greg Gibson	40,839	Nil	Nil
L. John Swann ⁽²⁾	Nil	Nil	Nil

Note:

- (1) All options vest immediately and are granted at the market price. The weighted average fair value at grant date of options vested during the year ended March 31, 2018 was \$0.87 (2017: \$1.86).
- (2) Mr. Swann stepped down as a director on January 14, 2018.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as at the year ended March 31, 2018 with respect to compensation plans under which equity securities of the Company are authorized for issuance under the Company's Option Plan.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuances under equity compensation plan
Equity compensation plans approved by securityholders (Stock Option Plan)	17,140,000	\$1.43	8,447,897
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	17,140,000	\$1.43	8,447,897

Note:

- (1) The number of shares available for grant under the stock option plan was approved by Shareholders on August 23, 2017 and fixed at 20,247,897. See "Summary of Stock Option Plan" below.

Summary of Stock Option Plan

At a Meeting of Shareholders held on August 23, 2016, the Shareholders approved an amendment to the existing Option Plan (the "Amended Option Plan") to provide that the number of Common Shares in the capital of the Company (the "Common Shares" or "Shares") issuable pursuant to Options to purchase Shares granted pursuant to the Option Plan shall not in the aggregate exceed 15% of the issued and outstanding Shares of the Company at the time of implementation of the Option Plan, being 20,247,897 Common Shares, including the Common Shares issuable upon the exercise of outstanding options under the Option Plan. As of the date of this Statement of Executive Compensation, the Company has 14,690,000 Common Shares issuable upon the exercise of outstanding options and 4,757,897 Common Shares available for future option grants.

The Amended Option Plan provides that options to purchase Common Shares may be granted to directors, officers, employees or consultants of the Company, as determined by the Board, subject to limitations imposed by the stock exchange on which the Common Shares are listed for trading. The options shall vest and expire at a date determined by the Board, but in no case will such date be more than five years from the date of the option grant. The Board will also set the exercise price for each stock option granted, subject to TSX Venture Exchange minimum pricing rules.

If an optionee ceases to be an employee or other Eligible Person (as defined in the Amended Option Plan), other than as a result of termination with cause, or ceases to act as a director of the Company, any option they hold will be exercisable only for 90 days thereafter, or prior to its expiration, whichever is sooner. Options granted to an optionee who is engaged in Investor Relations Activities (as defined in the Amended Option Plan) must expire within 30 days after the optionee ceases to be employed to provide Investor Relations Activities. If an optionee is dismissed from employment for cause, the option will immediately terminate and no longer be exercisable.

The aggregate number of Common Shares reserved for issuance pursuant to the Amended Option Plan are subject to the following limitations: (i) the number reserved for issuance to any participant within a one-year period must not exceed 5% of the Common Shares outstanding at the time of grant; (ii) the number reserved for issuance to any consultant within a one-year period must not exceed 2% of the Common Shares outstanding at the time of grant; (iii) the number reserved for issuance to an employee conducting Investor Relations Activities (as defined in the Amended

Option Plan) within a one-year period must not exceed 2% of the common shares outstanding at the time of grant; and (iv) the number reserved for issuance to Insiders (as defined in the Amended Option Plan) must not exceed 10% of the Common Shares outstanding from time to time. The aggregate number of options that may be granted pursuant to the Amended Option Plan to Insiders (as defined in the Amended Option Plan) within a one-year period must not exceed 10% of the Common Shares outstanding from time to time.