



TSXV: GG

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

May 15, 2019

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## GALANE GOLD LTD.

### NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “**Meeting**”) of the holders of the common shares (collectively, the “**Shareholders**” or individually, a “**Shareholder**”) of Galane Gold Ltd. (the “**Corporation**”) will be held at the offices of Aird & Berlis LLP, Brookfield Place, Suite 1800, 181 Bay Street, Toronto, Ontario, M5J 2T9 on Friday, June 14, 2019 at the hour of 11:30 a.m. (Toronto time) for the following purposes:

1. to receive the audited financial statements of the Corporation for the financial year ended December 31, 2018, together with the report of the auditor thereon;
2. to elect the directors of the Corporation;
3. to appoint PricewaterhouseCoopers LLP, Chartered Professional Accountants, as auditor of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix its remuneration;
4. to consider and, if thought appropriate, pass, with or without variation, a resolution approving the Corporation’s rolling stock option plan, as more fully described in the accompanying management information circular dated May 15, 2019 (the “**Circular**”); and
5. to transact such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

Accompanying this Notice of Annual and Special Meeting of Shareholders is the Circular and a copy of the audited financial statements of the Corporation for the financial year ended December 31, 2018, together with the report of the auditor thereon.

A Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his, her or its duly executed form of proxy with the Corporation’s transfer agent and registrar, TMX Trust Company, 100 Adelaide Street West, Ste. 301, Toronto, Ontario, M5H 4H1, on or before 11:30 a.m. on Wednesday, June 12, 2019 or deliver it to the chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting.

Shareholders who are unable to be present personally at the Meeting are urged to sign, date and return the enclosed form of proxy in the envelope provided for that purpose. If you plan to be present personally at the Meeting, you are requested to bring the enclosed form of proxy for identification. The record date for the determination of those Shareholders entitled to receive the Notice of Annual and Special Meeting of Shareholders and to vote at the Meeting was the close of business on Friday, May 3, 2019.

DATED at Toronto, Ontario this 15<sup>th</sup> day of May, 2019.

BY ORDER OF THE BOARD

*“Ravi Sood”*

Ravi Sood  
Chairman

## **GALANE GOLD LTD.**

### **MANAGEMENT INFORMATION CIRCULAR**

#### **CURRENCY PRESENTATION**

Unless otherwise indicated, all dollar amounts in this management information circular (the “**Circular**”) are expressed in Canadian dollars, and, unless otherwise indicated, all dollar amounts expressed in U.S. dollars are converted using an exchange rate of 1.3469, being the Bank of Canada exchange rate on the date immediately preceding the date of this Circular.

#### **SOLICITATION OF PROXIES**

This Circular is furnished in connection with the solicitation of proxies by the management of Galane Gold Ltd. (the “**Corporation**”) for use at the annual and special meeting (the “**Meeting**”) of holders (collectively, the “**Shareholders**” or individually, a “**Shareholder**”) of common shares in the capital of the Corporation (“**Common Shares**”) to be held at the time and place and for the purposes set forth in the attached Notice of Annual and Special Meeting of Shareholders (the “**Notice**”). The solicitation will be primarily by mail, but proxies may also be solicited personally or by telephone by regular employees of the Corporation. The cost of solicitation will be borne by the Corporation.

Except as noted below, the Corporation has distributed or made available for distribution, copies of the Notice, the Circular and form of proxy or voting instruction form (if applicable) (the “**Meeting Materials**”) to clearing agencies, securities dealers, banks and trust companies or their nominees (collectively, the “**Intermediaries**”) for distribution to Beneficial Shareholders (as defined below) whose Common Shares are held by or in custody of such Intermediaries. Such Intermediaries are required to forward such documents to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. The Corporation has elected to pay for the delivery of the Meeting Materials to objecting Beneficial Shareholders by the Intermediaries. The Corporation is sending proxy-related materials directly to non-objecting Beneficial Shareholders, through the services of its transfer agent and registrar, TMX Trust Company. The solicitation of proxies from Beneficial Shareholders will be carried out by the Intermediaries or by the Corporation if the names and addresses of the Beneficial Shareholders are provided by Intermediaries. The Corporation will pay the permitted fees and costs of Intermediaries incurred in connection with the distribution of the Meeting Materials. The Corporation is not relying on the notice-and-access provisions of securities laws for delivery of the Meeting Materials to registered Shareholders or Beneficial Shareholders.

#### **APPOINTMENT AND REVOCATION OF PROXIES**

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. **A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act for such Shareholder and on his, her or its behalf at the Meeting other than the persons designated in the enclosed form of proxy.** Such right may be exercised by inserting in the blank space provided for that purpose the name of the desired person or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to the Corporation’s transfer agent and registrar, TMX Trust Company, 100 Adelaide Street West, Ste. 301, Toronto, Ontario, M5H 4H1 not later than 11:30 a.m. on Wednesday, June 12, 2019 or delivering it to the chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting. A proxy must be executed by the registered Shareholder or his, her or its attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized.

Proxies given by Shareholders for use at the Meeting may be revoked prior to their use:

- (a) by depositing an instrument in writing executed by the Shareholder or by such Shareholder's attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized indicating the capacity under which such officer or attorney is signing:
  - (i) at the registered office, 181 Bay Street, Suite 1800, Toronto, Ontario, M5J 2T9, at any time up to and including Thursday, June 13, 2019; or
  - (ii) with the chairman of the Meeting on the day of the Meeting or any adjournment thereof; or
- (b) in any other manner permitted by law.

### **EXERCISE OF DISCRETION BY PROXIES**

The persons named in the accompanying form of proxy will vote the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholders appointing them. **In the absence of such direction, such Common Shares will be voted in favour of the passing of the matters set out in the Notice. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting or any adjournment thereof.** At the time of the printing of this Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice. **However, if any other matters which at present are not known to the management of the Corporation should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.**

### **ADVICE TO BENEFICIAL SHAREHOLDERS**

**Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares, or non-objecting beneficial owners whose names has been provided to the Corporation's registrar and transfer agent, can be recognized and acted upon at the Meeting.** The information set forth in this section is therefore of significant importance to a substantial number of Shareholders who do not hold their Common Shares in their own name (referred to in this section as "**Beneficial Shareholders**"). If Common Shares are listed in an account statement provided to a Shareholder by an Intermediary, then in almost all cases those Common Shares will not be registered in such Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder's Intermediary or an agent of that Intermediary. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co., as nominee for CDS Clearing and Depository Services Inc., which acts as a depository for many Canadian Intermediaries. Common Shares held by Intermediaries or their nominees can only be voted for or against resolutions upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting Common Shares for their clients.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its Intermediary is identical to the form of proxy provided by the Corporation to the Intermediaries. However, its purpose is limited to instructing the Intermediary how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining

instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically mails the voting instruction forms or proxy forms to the Beneficial Shareholders and asks the Beneficial Shareholders to return the voting instruction forms or proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Shareholder receiving a proxy or voting instruction form from Broadridge cannot use that proxy to vote Common Shares directly at the Meeting - the proxy must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their Intermediary, a Beneficial Shareholder may attend the Meeting as proxyholder for the Intermediary and vote their Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their own Common Shares as proxyholder for the Intermediary should enter their own names in the blank space on the management form of proxy or voting instruction form provided to them and return the same to their Intermediary (or the agent of such Intermediary) in accordance with the instructions provided by such Intermediary or agent well in advance of the Meeting. **Beneficial Shareholders should carefully follow the instructions of their Intermediaries and their service companies.**

All references to shareholders in this Circular and the accompanying form of proxy and Notice are to Shareholders of record unless specifically stated otherwise.

#### **NOTE TO NON-OBJECTING BENEFICIAL OWNERS**

The Meeting Materials are being sent to both registered and Beneficial Shareholders. If you are a Beneficial Shareholder, and the Corporation or its agent has sent the Meeting Materials directly to you, your name and address and information about your holdings of Common Shares, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send the Meeting Materials to you directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering the Meeting Materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The Corporation has fixed the close of business on Friday, May 3, 2019 as the record date (the “**Record Date**”) for the purposes of determining Shareholders entitled to receive the Notice and vote at the Meeting. As at the Record Date, 200,804,760 Common Shares carrying the right to one vote per share at the Meeting were issued and outstanding.

In accordance with the provisions of the *Business Corporations Act* (Ontario), the Corporation will prepare a list of the holders of Common Shares on the Record Date. Each holder of Common Shares named on the list will be entitled to vote the Common Shares shown opposite his, her or its name on the list at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as at the date of this Circular, no person beneficially owns, or controls or directs, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to the Common Shares.

## EXECUTIVE COMPENSATION

### Compensation Discussion and 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; and (c) attract and retain highly qualified executive officers.

#### *Elements of Compensation*

##### 1. Base Salary

Each Named Executive Officer (as such term is defined below) receives a base salary, which constitutes a significant portion of the Named Executive Officer's compensation package. Base salary is recognition for discharging day-to-day duties and responsibilities and reflects the Named Executive Officer's performance over time, as well as that individual's particular experience and qualifications. A Named Executive Officer's base salary is reviewed by the board of directors of the Corporation (the "**Board**") on an annual basis and may be adjusted to take into account performance contributions for the year and to reflect sustained performance contributions over a number of years.

##### 2. Incentive Plans

The Corporation's stock option plan (the "**Stock Option Plan**"), share purchase plan (the "**Share Purchase Plan**") and deferred share unit plan (the "**DSU Plan**", together with the Stock Option Plan and Share Purchase Plan, the "**Incentive Plans**") are intended to reinforce commitment to long-term growth in profitability and shareholder value by encouraging share ownership and entrepreneurship on the part of the senior management and other employees. The Board believes that the Incentive Plans align the interests of the Named Executive Officers and the Board with Shareholders by linking a component of executive compensation to the longer term performance of the Common Shares.

#### *Stock Option Plan*

Officers, directors, employees and consultants are eligible under the Stock Option Plan to receive grants of stock options. The Stock Option Plan is an important part of the Corporation's long-term incentive strategy for its officers, directors, employees and consultants, permitting them to participate in appreciation of the market value of the Common Shares over a stated period of time. The Stock Option Plan is intended to reinforce commitment to long-term growth in profitability and shareholder value. The size of the stock option grants to officers, directors, employees and consultants is dependent on each such person's level of responsibility, authority and position with the Corporation and to the degree to which such person's long term contribution to the Corporation will be key to its long term success.

Options are granted by either the Board or the Compensation Committee of the Corporation (the "**Compensation Committee**"). In monitoring or adjusting the option allotments, the Board or the Compensation Committee, as the case may be, takes into account its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous option grants and the objectives set for the Named Executive Officers. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility. The Board or the Compensation Committee will make these determinations subject to and in accordance with the provisions of the Stock Option Plan. See "Particulars of Matters to be Acted Upon – Approval of Stock Option Plan" below for further details regarding the Stock Option Plan.

As at the date of this Circular, a total of 11,380,476 Common Shares were available for grant and 8,700,000 Common Shares were issuable pursuant to options granted under the Stock Option Plan, representing approximately 4.33% of the issued and outstanding Common Shares.

#### *Share Purchase Plan*

The purpose of the Share Purchase Plan is to advance the interests of the Corporation by encouraging equity participation in the Corporation by its directors, officers and employees. The Share Purchase Plan allows directors, officers and employees of the Corporation and its subsidiaries to participate in the Share Purchase Plan once they have completed six months of service (the “**Qualifying Participants**”). On June 15 and December 15 of each year, Qualifying Participants are entitled to purchase Common Shares up to a maximum amount of \$12,500. Accordingly, the maximum amount that can be invested by a Qualifying Participant under the Share Purchase Plan in any calendar year is \$25,000. The subscription price of the Common Shares under the Share Purchase Plan is the Market Price (as such term is defined in the Corporate Finance Manual of the TSX Venture Exchange (the “**Exchange**”)) prior to the applicable June 15 or December 15 date. The Qualifying Participants will be required to hold the Common Shares purchased under the Share Purchase Plan for a minimum period of three months or, if applicable, for the requisite Exchange hold period.

On each of June 15 and December 15, a Qualifying Participant will be entitled to receive a matching number of Common Shares (the “**Matching Shares**”) as were subscribed for by such Qualifying Participant at no cost to the Qualifying Participant. The Matching Shares will be issued to Qualifying Participant in equal annual installments over a three year period following the date of the subscription of the Common Shares by the Qualifying Participant, as long as the Qualifying Participant is a director, officer or employee of the Corporation at that time.

No Common Shares will be issued under the Share Purchase Plan at any time to any insider of the Corporation if such issuance, together with all of the Corporation’s previously established or proposed share compensation arrangements, including the Share Purchase Plan, could result at any time in: (i) the number of Common Shares issued to insiders pursuant to the Share Purchase Plan, together with all of such other share compensation arrangements, within any one year period exceeding 10% of the issued and outstanding Common Shares; or (ii) the number of Common Shares issuable to insiders at any time pursuant to the Share Purchase Plan and all such other share compensation arrangements exceeding 10% of the issued and outstanding Common Shares.

Further, the total number of Common Shares issued under the Share Purchase Plan in any fiscal year of the Corporation cannot exceed 2% of the number of Common Shares issued and outstanding at the commencement of such fiscal year.

Under the Share Purchase Plan, the Corporation may issue Common Shares to Qualifying Participants who meet certain conditions as set out in the Share Purchase Plan. The Corporation has the ability, in its discretion, to provide Common Shares to Qualifying Participants under the Share Purchase Plan through open market purchases as well as through issuances from treasury.

If the Common Shares are increased, decreased, changed into or exchanged for a different number or type of shares or securities of the Corporation through a re-organization, plan of arrangement, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, an appropriate and proportionate adjustment shall be made by the Board, in its discretion, to: (a) the aggregate number of Common Shares reserved for issuance under the Share Purchase Plan; and (b) the number of Matching Shares issuable to Qualifying Participants. Determinations by the Board as to what adjustments shall be made, and the extent thereof, are subject to any necessary approvals of the Exchange. The Corporation

shall not be obligated to issue fractional securities in satisfaction of any of its obligations under the Share Purchase Plan.

In the event that a “take-over bid” (within the meaning of applicable Canadian securities laws) is made for all of the issued and outstanding Common Shares, then all Matching Shares which have not yet been earned by Qualifying Participants as of the date of the bid will be deemed to have been earned and the Corporation will immediately issue and deliver such Matching Shares to each Qualifying Participant. In the event that a take-over bid is made for a portion of the issued and outstanding Common Shares, the Board may, in its discretion, determine that all Matching Shares which have not yet been earned by Qualifying Participants as of the date of the bid will be deemed to have been earned and the Corporation will immediately issue and deliver such Matching Shares to each Qualifying Participant. Subject to any required Exchange or Shareholder approvals, the Share Purchase Plan may be amended from time to time by the Board.

The aggregate number of Common Shares reserved for issuance under the Share Purchase Plan is 1,000,000 Common Shares. As at the date of this Circular, an aggregate of 508,745 Common Shares have been purchased and 483,205 Matching Shares have been issued under the Share Purchase Plan.

#### *Deferred Share Unit Plan*

The purpose of the DSU Plan is to advance the interests of the Corporation by enabling directors, officers, employees and consultants of the Corporation (“**DSU Participants**”) to participate in any increase in the value of the Common Shares.

Pursuant to the DSU Plan, the Board or the Compensation Committee may, in its sole discretion, elect to award a dollar amount (an “**Awarded Amount**”) of compensation to a DSU Participant by crediting such DSU Participant with the number of deferred share units (each, a “**DSU**”) equal to the amount determined by dividing the Awarded Amount by the fair market value of the Common Shares. Unless otherwise determined by the Board at the time of award, all DSUs will vest in five equal instalments on the first, second, third, fourth and fifth anniversary of the date of the award. All unvested DSUs will generally vest on the occurrence of a change of control of the Corporation or upon the termination of a DSU Participant without cause.

Unless disinterested Shareholder approval is obtained, in no event may: (i) the number of DSUs and Common Shares issuable upon exercise of options granted to any one person, other than a consultant, in any 12 month period exceed 5% of the issued and outstanding Common Shares; (ii) the number of DSUs and Common Shares issuable upon exercise of options granted to any consultant in any 12 month period exceed 2% of the issued and outstanding Common Shares; or (iii) the number of DSUs and Common Shares issuable upon exercise of options granted to all persons engaged to conduct investor relations activities in any 12 month period exceed 2% of the issued and outstanding Common Shares. The maximum aggregate number of Common Shares that, under all share compensation arrangements of the Corporation that: (i) are reserved for issuance to insiders of the Corporation may not exceed 10% of the issued and outstanding Common Shares; and (ii) are issued to insiders of the Corporation within a 12 month period, may not exceed 10% of the issued and outstanding Common Shares.

Subject to the specific terms of the DSU Plan, when a DSU Participant has ceased to be a director, officer, employee or consultant of the Corporation, the DSU Participant may redeem the vested DSUs credited to such DSU Participant as follows: (i) each DSU shall be redeemed for one Common Share or the fair market value thereof in the event that such DSU Participant has retired, has been terminated without cause, has not been re-elected as a director by the Shareholders or in the event of such DSU Participant’s death; and (ii) each DSU shall be redeemed for 0.75 of one Common Share or the equivalent fair market value thereof in all other circumstances not described in clause (i) above, including but not limited to the resignation of such

DSU Participant prior to retirement or the determination of such DSU Participant not to stand for re-election to the Board. Notwithstanding the foregoing, a DSU Participant who is terminated by the Corporation for cause forfeits all of his or her DSUs. The Board may amend, modify or terminate the DSU Plan without obtaining Shareholder approval, provided that the Board may not amend the DSU Plan without requisite Shareholder and Exchange approvals to: (i) increase the number of Common Shares reserved for issuance under the DSU Plan; (ii) except as provided in the DSU Plan, permit assignments or redemptions other than by a DSU Participant; or (iii) provide for other types of compensation through equity issuance other than as provided in the DSU Plan.

Subject to adjustment in certain circumstances, the maximum aggregate number of Common Shares that may be reserved for issuance pursuant to the DSU Plan is 13,262,888 Common Shares. As of the date of this Circular, subject to the terms of the DSU Plan, DSUs to purchase up to 4,970,046 Common Shares are outstanding, 7,327,060 DSUs remain available for issuance and 965,782 Common Shares have been issued under the DSU Plan.

### 3. Performance Bonus

#### *Bonus*

Each of Nicholas Brodie, the Chief Executive Officer of the Corporation, and Wayne Hatton-Jones, the Chief Operating Officer of the Corporation and the General Manager of the Corporation's wholly-owned indirect subsidiary Mupane Gold Mining (Pty) Ltd. ("**MGM**"), is eligible, at the discretion of the Compensation Committee, to receive a performance based bonus based on the achievement of certain key performance indicators ("**KPIs**") established by the Compensation Committee on an annual basis. Mr. Brodie's maximum amount of bonus payment is 75% of his annual base salary. Mr. Hatton-Jones' maximum amount of bonus payment is 50% of his annual base salary.

Benchmarking research was conducted on management compensation for similar companies to determine compensation for 2017 relative to the KPIs. The KPIs were based on a number of short term and long term goals and objectives.

Gavin Vandervegt, the Chief Financial Officer of the Corporation, is eligible for an annual bonus of up to 50% of his annual base salary, subject to the discretion of the Compensation Committee or upon the achievement of specific milestones as mutually agreed upon between Mr. Vandervegt and the Chief Executive Officer of the Corporation and as approved by the Compensation Committee. The annual bonus, if awarded, is to be paid within two weeks from the date of approval by the Board of the annual audited financial statements of the Corporation for the year for which the bonus was achieved.

Any bonus payable is to be paid 50% in cash and 50% in DSUs with the DSUs vesting over a three year period in accordance with the Corporation's DSU plan.

#### *Compensation of Directors*

The following table illustrates the compensation structure for the non-executive directors. The directors may also be reimbursed for out-of-pocket expenses incurred in carrying out their duties as directors in addition to the compensation as set out below.

<b>Annual Retainer</b>	
Chairman of the Board	US\$180,000
Non-executive director	US\$25,000
Chairman – Audit Committee	US\$15,000
Chairman – Compensation Committee	US\$5,000
Chairman – Corporate Governance and Nominating Committee	US\$5,000
Member – Audit Committee	US\$5,000
Member – Compensation Committee	US\$2,500
Member – Corporate Governance and Nominating Committee	US\$2,500

Officers of the Corporation who also act as directors will not receive any additional compensation for services rendered in such capacity, other than as paid by the Corporation in their capacity as officers.

### ***Compensation Risk***

The Board and, as applicable, the Compensation Committee, considers and assesses the implications of risks associated with the Corporation's compensation policies and practices and devotes such time and resources as is believed to be necessary in the circumstances. The Corporation's practice of compensating its officers primarily through a mix of salary, bonus, stock options and DSUs is designed to mitigate risk by: (i) ensuring that the Corporation retains such officers; and (ii) aligning the interests of its officers with the short-term and long-term objectives of the Corporation and its shareholders. As at the date of this Circular, the Board had not identified risks arising from the Corporation's compensation policies and practices that are reasonably likely to have a material adverse effect on the Corporation.

### ***Financial Instruments***

Pursuant to the terms of the Corporation's Insider Trading Policy, the Corporation's officers and directors are prohibited from purchasing financial instruments, such as 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 an officer or director.

### ***Compensation Governance***

In order to assist the Board in fulfilling its oversight responsibilities with respect to compensation matters, the Board has established the Compensation Committee and has reviewed and approved the Compensation Committee's Charter. The Compensation Committee is composed of Ravi Sood, Amar Bhalla and Ian Egan. Each of Messrs. Bhalla and Egan is independent as such term is defined in National Instrument 52-110 – *Audit Committees*. Mr. Sood is not independent.

The Compensation Committee meets on compensation matters as and when required with respect to executive compensation. The primary goal of the Compensation Committee as it relates to compensation matters is to ensure that the compensation provided to the Named Executive Officers and the Corporation's other senior officers is determined with regard to the Corporation's business strategies and objectives, such that the financial interest of the senior officers is aligned with the financial interest of shareholders, and to ensure that their compensation is fair and reasonable and sufficient to attract and retain qualified and experienced executives. The Compensation Committee is given the authority to engage and compensate any outside advisor that it determines to be necessary to carry out its duties.

As a whole, the members of the Compensation Committee have direct experience and skills relevant to their responsibilities in executive compensation, including with respect to enabling the Compensation Committee in making informed decisions on the suitability of the Corporation’s compensation policies and practices. Each of the members of the Compensation Committee has experience on the board of directors and related committees of other public companies, as described under “Particulars of Matters to be Acted Upon – Election of Directors” in this Circular.

### ***Executive Compensation-Related Fees***

No executive compensation-related fees were paid in 2017 and 2018.

### ***Summary Compensation Table – Named Executive Officers***

The following table sets forth the compensation paid or awarded to the following individuals: (i) the Chairman; (ii) the Chief Executive Officer; (iii) the Chief Financial Officer; and (iv) the Chief Operating Officer of the Corporation and General Manager of MGM (collectively, the “**Named Executive Officers**”) for the Corporation’s financial years ended December 31, 2018, 2017 and 2016.

Name and principal position	Year	Salary/Fee (\$)	Share-based awards (\$)		Option- based awards (\$) <sup>(3)</sup>	Non-equity incentive plan compensation (\$)	All other compensation (\$)	Total compensation (\$)
			Share Purchase Plan <sup>(1)</sup>	DSU Plan (\$) <sup>(2)</sup>				
Ravi Sood Chairman <sup>(4)</sup>	2018	233,226	-	-	-	-	-	233,226
	2017	231,131	-	-	-	-	-	231,131
	2016	206,188	2,800	-	175,609	-	-	384,597
Nicholas Brodie Chief Executive Officer <sup>(4)(5)</sup>	2018	432,475	-	-	-	172,990	-	605,465
	2017	422,333	-	107,694	-	497,274 <sup>(7)</sup>	-	1,027,301
	2016	449,829	-	-	175,609	99,360	-	724,798
Gavin Vandervegt Chief Financial Officer <sup>(4)(6)</sup>	2018	388,710	-	-	-	97,178	-	485,888
	2017	385,217	-	-	26,000	-	-	411,217
	2016	79,131	-	-	-	-	-	79,131
Wayne Hatton-Jones Chief Operating Officer and General Manager <sup>(4)</sup>	2018	388,710	-	-	-	104,952	-	493,662
	2017	353,219	-	91,501	-	481,081 <sup>(8)</sup>	-	925,801
	2016	359,779	-	-	175,609	99,360	-	634,748

**Notes:**

- (1) Represents the value of the Matching Shares issuable under the Share Purchase Plan calculated based on the closing price of the Common Shares on the Exchange on December 15, 2016 (\$0.07), being the date on which the Qualifying Participants became entitled to the Matching Shares. See “Executive Compensation – Incentive Plans” above. For financial statement purposes, the accounting fair value amount is amortized over the three-year vesting period to obtain an accounting cost.
- (2) Represents the value of DSU awards issuable under the DSU Plan calculated based on the closing price of the Common Shares on the Exchange of \$0.095 on May 29, 2017, being the last trading date prior to the award date.
- (3) Calculated based on the Black-Scholes model for option valuation. The fair value of the stock options has been calculated based on the following assumptions:

Year	Risk-free Interest Rate	Expected Life	Weighted Expected Stock Price Volatility	Expected Dividend Yield
2016	1.02%	2.5 years	80%	Zero
2017	0.94%	5 years	9%	Zero
2018	0.94%	5 years	9%	Zero

- (4) Certain amounts paid in US\$ have been converted to Cdn\$ at the Bank of Canada “annual average exchange rate” of: (i) US\$1.00:Cdn\$1.2957 for fiscal 2018; (ii) US\$1.00:Cdn\$1.2986 for fiscal 2017; and (iii) (US\$1.00:Cdn\$1.3248 for fiscal 2016.

- (5) Certain amounts paid in £ have been converted to Cdn\$ at the Bank of Canada “annual average exchange rate” of: (i) £1.00:Cdn\$1.7299 for fiscal 2018; (ii) £1.00:Cdn\$1.6720 for fiscal 2017; and (iii) £1.00:Cdn\$1.7962 for fiscal 2016.
- (6) Mr. Vandervegt was appointed Chief Financial Officer effective October 16, 2016.
- (7) Represents: (i) a bonus in the amount of \$107,694 earned in 2016 and awarded 2017; and (ii) a retention bonus in the amount of \$389,580 (US\$300,000) earned in 2017. All such amounts were paid in 2018.
- (8) Represents: (i) a bonus in the amount of \$91,501 earned in 2016 and awarded 2017; and (ii) a retention bonus in the amount of \$389,580 (US\$300,000) earned in 2017. All such amounts were paid in 2018.

### ***Incentive Plan Awards – Named Executive Officers***

#### ***Outstanding Share-Based Awards and Option-Based Awards***

The following table sets forth all share-based and option-based awards outstanding for the Named Executive Officers as of December 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 <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested <sup>(2)(3)</sup> (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Ravi Sood	2,000,000	0.12	August 17, 2021	nil	100,000	5,500	-
Nicholas Brodie	2,000,000	0.12	August 17, 2021	nil	798,110	43,896	-
Gavin Vandervegt	500,000	0.095	May 29, 2022	-	-	-	-
Wayne Hatton-Jones	2,000,000	0.12	August 17, 2021	nil	798,110	43,896	-

**Notes:**

- (1) The “value of unexercised in-the-money options” is calculated based on the difference between the closing price of \$0.055 for the Common Shares on the Exchange on December 31, 2018 and the exercise price of the options, multiplied by the number of unexercised options.
- (2) The “market or payout value of share-based awards that have not vested” is calculated based on the closing price of \$0.055 for the Common Shares on the Exchange on December 31, 2018 multiplied by the number of Common Shares that have not vested.
- (3) Represents the market value of unvested DSUs calculated in accordance with note (2) above. See “Executive Compensation – Incentive Plans” above for further details regarding the DSUs.

*Incentive Plan Awards – Value Vested or Earned During the Year*

The following table sets forth the value of all incentive plan awards vested or earned for each Named Executive Officer during the year ended December 31, 2018.

<b>Name</b>	<b>Option-based awards – Value vested during the year<sup>(1)</sup> (\$)</b>	<b>Share-based awards – Value vested during the year<sup>(2)</sup> (\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$)</b>
Ravi Sood	-	6,000	-
Nicholas Brodie	-	28,672	-
Gavin Vandervegt	-	-	-
Wayne Hatton-Jones	-	28,672	-

**Notes:**

- (1) The “value vested during the year” is calculated based on the difference between the closing price for the Common Shares on the Exchange as of the date of vesting (or the most recent closing price on the Exchange, if applicable) and the exercise price of the options, multiplied by the number of vested options. All of the options vested in the year were valued at higher than the market value.
- (2) The “value vested during the year” is calculated based on the closing price for the Common Shares on the Exchange as of the date of vesting (or the most recent closing price on the Exchange, if applicable) multiplied by number of DSU awards. The closing price for the Common Shares on the Exchange on May 29 and June 16, 2018 was \$0.06.

***Management Contracts - Termination and Change of Control Benefits***

*Ravi Sood*

Mr. Sood, a corporation controlled by Mr. Sood (“**Sood Holdings**”) and the Corporation are parties to a services agreement (the “**Chairman Agreement**”) whereby the services of Sood Holdings are provided by Mr. Sood, who acts as Chairman of the Corporation. The Chairman Agreement is effective indefinitely until it is terminated in accordance with its terms. Pursuant to the Chairman Agreement, the Corporation has agreed to pay to Sood Holdings an annual fee of US\$180,000 (\$242,442). The Chairman Agreement may be terminated by the Corporation at any time (subject to certain conditions) in the event of, among other things, gross negligence, wilful or gross misconduct, or material violation of the Corporation’s code of conduct by Sood Holdings or Mr. Sood. In the event of termination in such cases, the Corporation shall have no further payment obligations to Sood Holdings or Mr. Sood.

The Chairman Agreement may also be terminated unilaterally by either the Corporation or Sood Holdings for any reason upon Sood Holdings providing six months’ written notice to the Corporation or by the Corporation providing three months’ written notice to Sood Holdings. In the event of such termination of the Chairman Agreement by the Corporation, the Corporation must immediately pay Sood Holdings a lump sum (the “**Lump Sum Payment**”) equal to three years’ annual fee. The Chairman Agreement may also be terminated by the shareholders of the Corporation if they do not elect or re-elect Mr. Sood as a director of the Corporation or if the shareholders remove Mr. Sood as a director of the Corporation, in each case at a duly called meeting and following which he shall be entitled to receive the Lump Sum Payment. In the event of unilateral termination by the Corporation or if the shareholders do not re-elect Mr. Sood, all stock options and other entitlements pursuant to any security compensation arrangements of the Corporation shall immediately and automatically become fully vested and shall be exercisable by, or issuable to, Sood Holdings or Mr. Sood within the time period provided for in the applicable security compensation arrangement.

In the event of a Change of Control of the Corporation (as defined in the Chairman Agreement), Mr. Sood may, within 30 days after such event, provide notice to terminate the Chairman Agreement and as a result shall be entitled to: (i) the Lump Sum Payment within 15 days of such notice; (ii) the immediate vesting of all stock options held by Sood Holdings and Mr. Sood, which shall be exercisable within the time period provided for in the Stock Option Plan; and (iii) all DSUs issued to Mr. Sood pursuant to the DSU Plan will vest.

The following are estimates of the incremental amounts payable to Sood Holdings in such circumstances:

	<b>Unilateral Termination</b>	<b>Not Elected by Shareholders</b>	<b>Change of Control</b>
Fees/Payment <sup>(1)</sup>	\$699,678	\$699,678	\$699,678
DSUs <sup>(2)</sup>	\$11,000	\$11,000	\$11,000
Benefits	-	-	-
<b>Total Compensation</b>	<b>\$710,678</b>	<b>\$710,678</b>	<b>\$710,678</b>

**Notes:**

- (1) Amounts payable in US\$ (including amounts set out in the text directly above the table) have been converted into Cdn\$ at the Bank of Canada “annual average exchange rate” of US\$1.00:Cdn\$1.3642 for fiscal 2018.
- (2) Represents the market value of 200,000 DSUs calculated based on the closing price of \$0.055 for the Common Shares on the Exchange on December 31, 2018.

*Nicholas Brodie*

Mr. Brodie and the Corporation are parties to an employment agreement (the “**CEO Agreement**”), for an indefinite term, whereby the Corporation has agreed to pay Mr. Brodie an annual salary of £250,000 (\$434,925). Mr. Brodie is also eligible to receive a bonus, up to a maximum of 75% of his salary, at the discretion of the Compensation Committee or upon the achievement of milestones approved by the Compensation Committee.

The CEO Agreement may be terminated by the Corporation at any time in the event of, among other things, material breach of the CEO Agreement by Mr. Brodie, misconduct, dishonesty, fraud, breach of trust or neglect in the performance of the duties to be provided by Mr. Brodie, or a material failure to comply with a written policy of the Corporation. In the event of such termination, the Corporation shall have no further payment obligations to Mr. Brodie.

The CEO Agreement may also be terminated by the Corporation at any time, without cause, by paying to Mr. Brodie an amount equal to one year’s salary payable in a lump sum, or if such termination occurs within 90 days prior to a Change of Control of the Corporation (as defined in the CEO Agreement) then: (a) two years’ salary if the Change of Control occurs prior to the date which is nine months after the Effective Date (as defined in the CEO Agreement); or (b) three years’ salary if the Change of Control occurs after the date which is nine months after the Effective Date (as defined in the CEO Agreement).

Upon such termination by the Corporation: (i) all unvested stock options granted to Mr. Brodie will immediately vest; (ii) all DSUs held by Mr. Brodie will immediately vest; and (iii) Mr. Brodie will continue to receive benefits under the Corporation’s medical, life and disability insurance plans for a period of six months from the date of termination.

In the event that there is a Change of Control, Mr. Brodie may give notice to terminate the CEO Agreement and as a result: (i) Mr. Brodie will be entitled to an amount equal to two years’ salary (increasing to three

years' Salary if the Change of Control occurs after the date which is nine months after the Effective Date), payable within 15 days of such notice; (ii) all unvested stock options granted to Mr. Brodie will immediately vest; (iii) all DSUs held by Mr. Brodie will immediately vest; and (iv) Mr. Brodie will continue to receive benefits under the Corporation's medical, life and disability insurance plans for a period of six months from the date of termination. In the event of a Change of Control, Mr. Brodie will also be entitled to a retention bonus payment as described above under "Executive Compensation – Incentive Plans – Retention Bonus Agreements".

The following are estimates of the incremental amounts payable to Mr. Brodie in such circumstances:

	<b>Termination without cause</b>	<b>Change of Control</b>
Salary <sup>(1)</sup>	\$432,475-\$1,297,425 <sup>(2)</sup>	\$864,950-\$1,297,425 <sup>(3)</sup>
Stock Options	-	-
DSUs	\$73,349 <sup>(4)</sup>	\$73,349 <sup>(4)</sup>
Benefits	-	-
<b>Total Compensation</b>	<b>\$505,824-\$1,370,774</b>	<b>\$938,299-\$1,370,774</b>

**Notes:**

- (1) Amounts payable under the CEO Agreement in £ (including amounts set out in the text directly above the table) have been converted into Cdn\$ at the Bank of Canada "annual average exchange rate" of £1.00:Cdn\$1.7439 for fiscal 2018.
- (2) If the CEO Agreement is terminated by the Corporation without cause, Mr. Brodie is entitled to an amount equal to one year's salary, or if such termination occurs within 90 days prior to a Change of Control of the Corporation then: (a) two years' salary if the Change of Control occurs prior to the date which is nine months after the Effective Date; or (b) three years' salary if the Change of Control occurs after the date which is nine months after the Effective Date.
- (3) Does not include the incremental amount payable under the Retention Agreement upon a Change of Control. See "Executive Compensation – Incentive Plans – Retention Bonus Agreements".
- (4) Represents the market value of 1,333,618 DSUs calculated based on the closing price of \$0.055 for the Common Shares on the Exchange on December 31, 2018.

*Gavin Vandervegt*

Mr. Vandervegt and the Corporation are parties to an employment agreement (the "**CFO Agreement**"), for an indefinite term, whereby the Corporation has agreed to pay Mr. Vandervegt an annual salary of US\$300,000 (\$404,070). Mr. Vandervegt is also eligible to receive a bonus, up to a maximum of 50% of his salary, at the discretion of the Compensation Committee or upon the achievement of milestones approved by the Compensation Committee.

The CFO Agreement may be terminated by the Corporation with three months' notice. The Corporation may also terminate the CFO Agreement at any time in the event of, among other things, material breach of the CFO Agreement by Mr. Vandervegt, misconduct, dishonesty, fraud, breach of trust or neglect in the performance of the duties to be provided by Mr. Vandervegt, or a material failure to comply with a written policy of the Corporation. In the event of such termination, the Corporation shall have no further payment obligations to Mr. Vandervegt.

If the event that there is a Change of Control after the one year anniversary of the Effective Date (as defined in the CFO Agreement) and within 90 days of a Change of Control of the Corporation (as defined in the CFO Agreement), either (i) Mr. Vandervegt is terminated without cause, or (ii) Mr. Vandervegt gives notice

to terminate his employment within 30 days of a Change of Control, Mr. Vandervegt shall be entitled to an amount equal to one year’s salary payable in a lump sum.

Upon such termination: (i) all unvested stock options granted to Mr. Vandervegt will immediately vest; and (ii) Mr. Vandervegt will continue to receive benefits under the Corporation’s medical, life and disability insurance plans for a period of six months from the date of termination.

The following are estimates of the incremental amounts payable to Mr. Vandervegt in such circumstances:

	<b>Termination without cause</b>	<b>Change of Control</b>
Salary <sup>(1)</sup>	\$97,178	\$388,710
Benefits	-	-
<b>Total Compensation</b>	<b>\$97,178</b>	<b>\$388,710</b>

**Note:**

- (1) Amounts payable in US\$ (including amounts set out in the text directly above the table) have been converted into Cdn\$ at the Bank of Canada “annual average exchange rate” of US\$1.00:Cdn\$1.2957 for fiscal 2018.

*Wayne Hatton-Jones*

Mr. Hatton-Jones, the Corporation and MGM have entered into an employment agreement (the “**COO Agreement**”) whereby MGM has agreed to pay Mr. Hatton-Jones an annual salary equal to US\$296,000 (\$398,682) and gratuity payments for the purposes of the *Botswana Employment Act* equal to US\$28,000 (\$37,713). Mr. Hatton-Jones is also eligible to receive a bonus, up to a maximum of 50% of his salary, at the discretion of the Compensation Committee or upon the achievement of milestones approved by the Compensation Committee. Mr. Hatton-Jones is an employee of MGM.

The COO Agreement may be terminated by MGM at any time in the event of, among other things, breach of the COO Agreement, misconduct, dishonesty, fraud, breach of trust or neglect in the performance of the duties to be provided by Mr. Hatton-Jones, or a failure to comply with a written policy of MGM or the Corporation. In the event of such termination, MGM shall have no further payment obligations to Mr. Hatton-Jones.

The COO Agreement may also be terminated by MGM, without cause, by paying to Mr. Hatton-Jones an amount equal to six months’ salary and gratuity payments. In such event: (i) all unvested stock options of the Corporation granted to Mr. Hatton-Jones will immediately vest; and (ii) all DSUs held by Mr. Hatton-Jones will immediately vest.

In the event that there is a Change of Control of the Corporation (as defined in the COO Agreement) and, within 90 days of such change in control: (i) Mr. Hatton-Jones is terminated without cause; or (ii) there results in a material and adverse change by MGM in Mr. Hatton-Jones’s function, duties or responsibilities without his written consent, which change would cause Mr. Hatton-Jones’s position with MGM to become one of less responsibility, importance or scope, Mr. Hatton-Jones may give notice to terminate the COO Agreement and as a result: (i) Mr. Hatton-Jones will be entitled to an amount equal to one years’ salary and gratuity payments, payable in a lump sum within 15 days of such notice; (ii) all unvested stock options granted to Mr. Hatton-Jones will immediately vest; and (iii) all DSUs held by Mr. Hatton-Jones will immediately vest. In the event of a Change of Control, Mr. Hatton-Jones will also be entitled to a retention bonus payment as described above under “Executive Compensation – Incentive Plans – Retention Bonus Agreements”.

The following are estimates of the incremental amounts payable to Mr. Hatton-Jones in such circumstances:

	Termination without cause	Change of Control
Salary <sup>(1)</sup>	\$209,903	\$419,807 <sup>(2)</sup>
Stock Options	-	-
DSUs	\$63,974 <sup>(3)</sup>	\$63,974 <sup>(3)</sup>
<b>Total Compensation</b>	<b>\$273,877</b>	<b>\$483,781</b>

**Notes:**

- (1) Amounts payable in US\$ (including amounts set out in the text directly above the table) have been converted into Cdn\$ at the Bank of Canada “annual average exchange rate” of US\$1.00: Cdn\$1.2957 for fiscal 2018.
- (2) Does not include the incremental amount payable under the Retention Agreement upon a Change of Control. See “Executive Compensation – Incentive Plans– Retention Bonus Agreements”.
- (3) Represents the market value of 1,163,166 DSUs calculated based on the closing price of \$0.055 for the Common Shares on the Exchange on December 31, 2018.

**Director Compensation**

The following table sets forth all amounts of compensation provided to the directors of the Corporation (other than directors who are also Named Executive Officers) during the financial year ended December 31, 2018:

Name	Fees Earned <sup>(1)</sup> (\$)	Share-based awards Share Purchase Plan (\$)	Share-based awards DSU Plan (\$)	Option-based awards (\$)	All other compensation (\$)	Total (\$)
Ian Egan	61,546	-	-	-	-	61,546
Amar Bhalla	48,589	-	-	-	-	48,589

**Notes:**

- (1) Certain amounts paid in US\$ have been converted to Cdn\$ at the Bank of Canada “annual average exchange rate” of US\$1.00:Cdn\$1.2957 for fiscal 2018.

*Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth all awards outstanding for each of the directors of the Corporation (other than directors who are also Named Executive Officers) as of December 31, 2018:

Name <sup>(1)</sup>	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 <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share based awards that have not vested <sup>(2)</sup> (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Ian Egan	1,000,000	0.12	August 17, 2021	nil	40,000	2,200 <sup>(3)</sup>	-
Amar Bhalla	1,000,000	0.12	August 17, 2021	nil	40,000	2,200 <sup>(3)</sup>	-

**Notes:**

- (1) The “value of unexercised in-the-money options” is calculated based on the difference between the closing price of \$0.055 for the Common Shares on the Exchange on December 31, 2018 and the exercise price of the options, multiplied by the number of unexercised options.
- (2) The “market or payout value of share-based awards that have not vested” is calculated based on the closing price of \$0.055 for the Common Shares on the Exchange on December 31, 2018 multiplied by the number of shares that have not vested.
- (3) Represents the market value of unvested DSUs calculated in accordance with note (3) above. See “Executive Compensation – Incentive Plans” above for further details regarding the DSUs.

*Incentive Plan Awards – Value Vested or Earned During the Year*

The following table sets forth the value of all incentive plan awards vested or earned by each director of the Corporation (other than directors who are also Named Executive Officers) during the year ended December 31, 2018:

<b>Name</b>	<b>Option-based awards – Value vested during the year<sup>(1)</sup> (\$)</b>	<b>Share-based awards – Value vested during the year<sup>(2)</sup> (\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$)</b>
Ian Egan	-	2,400	-
Amar Bhalla	-	2,400	-

**Notes:**

- (1) The “value vested during the year” is calculated based on the difference between the closing price for the Common Shares on the Exchange as of the date of vesting (or the most recent closing price on the Exchange, if applicable) and the exercise price of the options, multiplied by the number of vested options.
- (2) The “value vested during the year” is calculated based on the closing price for the Common Shares on the Exchange as of the date of vesting (or the most recent closing price on the Exchange, if applicable) multiplied by number of DSU awards. The closing price for the Common Shares on the Exchange on June 16, 2018 was \$0.06.

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table provides information regarding the number of Common Shares to be issued: (i) upon exercise of outstanding options pursuant to the Stock Option Plan; (ii) pursuant to the Share Purchase Plan; and (iii) pursuant to the DSU Plan, as at December 31, 2018:

<b>Plan Category</b>	<b>Number of Common Shares to be issued upon exercise of outstanding grants and awards</b>	<b>Weighted-average exercise price of outstanding options</b>	<b>Number of Common Shares remaining available for future issuance under equity compensation plans</b>
<b>Equity compensation plans approved by security holders</b>	8,700,000 <sup>(1)</sup>	\$0.1139	11,380,476 <sup>(1)</sup>
	-	-	8,050 <sup>(2)</sup>
	4,070,046 <sup>(3)</sup>	-	7,327,060 <sup>(3)</sup>
<b>Equity compensation plans not approved by security holders</b>	-	-	-
<b>Total</b>	12,770,046	-	18,715,586

**Notes:**

- (1) Represents the Common Shares issuable and available for issuance pursuant to the Stock Option Plan as at December 31, 2018.
- (2) Represents the Common Shares available for issuance pursuant to the Share Purchase Plan as at December 31, 2018. See “Executive Compensation – Incentive Plans” above for further details.
- (3) Represents the DSUs issuable and available for issuance pursuant to the DSU Plan as at December 31, 2018. See “Executive Compensation – Incentive Plans” above for further details.

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As at the date of this Circular, no individual who is an executive officer, director, employee or former executive officer, director or employee of the Corporation or any of its subsidiaries is indebted to the Corporation or any of its subsidiaries pursuant to the purchase of securities or otherwise.

No individual who is, or at any time during the financial year ended December 31, 2018 was, a director or executive officer of the Corporation, a proposed management nominee for election as a director of the Corporation, or an associate of any such director, executive officer or proposed nominee, was indebted to the Corporation or any of its subsidiaries during the financial year ended December 31, 2017 or as at the date of this Circular in connection with security purchase programs or other programs.

## **REPORT ON CORPORATE GOVERNANCE**

Maintaining a high standard of corporate governance is a priority for the Board and the Corporation’s management as both believe that effective corporate governance will help create and maintain shareholder value in the long term. A description of the Corporation’s corporate governance practices, which addresses the matters set out in National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, is set out at Schedule “A” to this Circular.

## **AUDIT COMMITTEE DISCLOSURE**

### **Audit Committee’s Charter**

The charter (the “**Audit Committee Charter**”) of the Corporation’s Audit Committee is reproduced as Schedule “C”.

### **Composition of Audit Committee**

The Audit Committee is composed of Ravi Sood, Ian Egan and Amar Bhalla, each of whom is a director of the Corporation. In accordance with Exchange Policy 3.1, the majority of the Audit Committee are not employees, Control Persons (as defined by the rules and policies of the Exchange) or officers of the Corporation.

A majority of the members of the Audit Committee are “independent” as such term is defined in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”). Mr. Sood is an executive officer of the Corporation and is not considered to be independent under NI 52-110. The Corporation is of the opinion that all three members of the Audit Committee are “financially literate” as such term is defined in NI 52-110.

### **Relevant Education and Experience**

All the members of the Audit Committee have the education and/or practical experience required to understand and evaluate financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation’s financial statements.

Ravi Sood was educated at the University of Waterloo (B. Mathematics) where he was a Descartes Fellow and the recipient of numerous national awards. From 2001 to 2010, he led the investment activities of Navina Asset Management Inc. and its predecessor company, Lawrence Asset Management Inc. He currently serves as an officer or director of several public and private companies.

Ian Egan has held senior management positions at BHP Limited, Mineral Deposits Limited, Utah Mining Australia Limited and NL Industries Inc. He has considerable experience in the areas of financial and operational controls, joint ventures and mergers and acquisitions. He is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) and a Fellow of CPA Australia (FCPA). He holds a BEc in Accounting and Law from the University of Sydney and an MEC in Industry Economics from the University of Sydney.

Amar Bhalla is the President of Capit Investment Corp., an investment management firm focused on private equity and venture capital. He has also served as a member of the audit committee of a number of other reporting issuers. Mr. Bhalla received his C.F.A. designation in September 2004 and received his B.A. degree from McGill University in June 1999.

### **Audit Committee Oversight**

At no time since the commencement of the Corporation's most recently completed financial year have any recommendations by the Audit Committee respecting the nomination and/or compensation of the Corporation's external auditors not been adopted by the board of directors.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on exemptions in relation to "*De Minimis Non-audit Services*" or any exemption provided by Part 8 of NI 52-110.

### **Pre-Approval Policies and Procedures**

Pursuant to the terms of the Audit Committee Charter, the Audit Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor.

### **External Auditor Service Fees (By Category)**

*Audit Fees* – The Corporation's external auditor invoiced approximately \$209,933 for the financial year ended December 31, 2017, and \$228,985 for the financial year ended December 31, 2018.

*Audit-Related Fees* – The Corporation's external auditor invoiced approximately \$8,500 for the financial year ended December 31, 2017, and \$3,500 for the financial year ended December 31, 2018.

*Tax Fees* – The Corporation's external auditor invoiced approximately \$nil for the financial year ended December 31, 2017, and \$nil for the financial year ended December 31, 2018.

*All Other Fees* – The Corporation did not pay any other fees during the financial years ended December 31, 2017 and 2018 respectively, for services other than those reported above.

### **Venture Issuer Exemption**

The Corporation is relying upon the exemption in section 6.1 of NI 52-110.

## INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, no “informed person” (as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations* (“NI 51-102”)) or proposed nominee for election as a director of the Corporation or any associate or affiliate of the foregoing has any material interest, direct or indirect, in any transaction in which the Corporation has participated since the commencement of the Corporation’s most recently completed financial year or in any proposed transaction which has materially affected or will materially affect the Corporation.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### 1. Election of Directors

The Board presently consists of five directors, namely, Nicholas Brodie, Amar Bhalla, Ravi Sood, Ian Egan and Wayne Hatton-Jones. Mr. Egan is not standing for re-election at the Meeting and management of the Corporation have nominated Mr. Dino Titaro in his place. Each director elected will hold office until the next annual meeting of shareholders or until his successor is duly elected or appointed pursuant to the by-laws of the Corporation. The enclosed form of proxy permits Shareholders to vote for all nominees together or for each nominee on an individual basis.

**COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF EACH OF THE PROPOSED NOMINEES UNLESS A SHAREHOLDER HAS SPECIFIED IN HIS, HER OR ITS PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF ANY PARTICULAR NOMINEE OR NOMINEES. MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF SUCH NOMINEES WILL BE UNABLE TO SERVE AS DIRECTORS. HOWEVER, IF FOR ANY REASON, ANY OF THE PROPOSED NOMINEES DO NOT STAND FOR ELECTION OR ARE UNABLE TO SERVE AS SUCH, PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN HIS, HER OR ITS PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF ANY PARTICULAR NOMINEE OR NOMINEES.**

#### *Advance Notice Requirement*

The Corporation’s By-Law No. 1, as amended pursuant to By-Law No. 1A, contains a requirement providing for advance notice of nominations of directors (the “Advance Notice Requirement”) in certain circumstances where nominations for election to the Board are made by Shareholders. For an annual meeting of Shareholders, notice to the Corporation must be provided not less than 30 and not more than 65 days prior to the date of the annual meeting; save and except where the annual meeting is to be held on a date less than 50 days after the date on which the first public announcement of the date of such annual meeting was made, in which event notice may be given not later than the close of business on the 10th day following such public announcement. For a special meeting of Shareholders (that is not also an annual meeting), notice to the Corporation must be given not later than the close of business on the 15th day following the day on which the first public announcement of the date of such special meeting was made. The Corporation’s By-Law No. 1, as amended by By-Law No. 1A, is available under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

#### *Director Nominee Profiles*

The following tables set out certain information as of the date of this Circular (unless otherwise indicated) with respect to the persons being nominated at the Meeting for election as directors. Information regarding

Common Shares owned by each director of the Corporation is presented to the best knowledge of management of the Corporation and has been furnished to management of the Corporation by such directors. Information regarding Board and committee meeting attendance is presented for meetings held in 2018.

<b>AMAR BHALLA</b>		<b>Principal Occupation and Biographical Information</b>		
 <p>Ontario, Canada Director Since: October 24, 2007</p>		<p>Mr. Bhalla is the President of Capit Investment Corp., an investment management firm focused on private equity and venture capital. In the past ten years, Mr. Bhalla has been involved in a variety of business segments. He previously served as Chief Executive Officer of Crescent Logic Inc., a Toronto-based software firm. Prior to joining Crescent Logic, Mr. Bhalla allocated capital in both public and private ventures on behalf of Toronto-based investment groups.</p>		
<b>Current Board/Committee Membership</b>	<b>Attendance</b>	<b>Attendance (Total)</b>		<b>Other Public Board Memberships</b>
Member of the Board	5 of 6	9 of 10	90%	Blockchain Power Trust (TSXV)
Member of the Corporate Governance and Nominating Committee	0 of 0			Dream Hard Asset Alternatives Trust (TSX)
Member of the Audit Committee	4 of 4			Mira X Acquisition Corp. (TSXV)
Member of the Compensation Committee	0 of 0			
<b>Number of Common Shares Beneficially Owned, Controlled or Directed</b>				15,214,689

<b>NICHOLAS BRODIE</b>		<b>Principal Occupation and Biographical Information</b>		
 <p>London, United Kingdom Director Since: November 10, 2014</p>		<p>Mr. Brodie is a senior executive with extensive experience in Africa. Prior to joining the Corporation, Mr. Brodie was the CFO of Katanga Mining Limited and Copperbelt Energy Corporation Plc. Mr. Brodie is a Fellow of the Association of Certified Chartered Accountants and holds a BSc(Hons) Geography.</p>		
<b>Current Board/Committee Membership</b>	<b>Attendance</b>	<b>Attendance (Total)</b>		<b>Other Public Board Memberships</b>
Member of the Board	6 of 6	6 of 6	100%	None
<b>Number of Common Shares Beneficially Owned, Controlled or Directed</b>				2,715,000

WAYNE HATTON-JONES		Principal Occupation and Biographical Information		
 <p>Queensland, Australia Director Since: June 20, 2016</p>		<p>Mr. Hatton-Jones is the Chief Operating Officer of the Corporation and has 26 years' experience working in South Africa, Mali West Africa, Tajikistan, Kazakstan, Romania and the Solomon Islands. Mr. Hatton-Jones served as the General Manager of the Gold Ridge Operation (Allied Gold) in the Solomon Islands, the Chief Operating Officer of Galaxy Gold Mining Limited, Acting General Manager of Avocet Mining plc in Tajikistan, General Manager of Ergo gold surface retreatment operation at DRD Gold, Process Manager and Acting General Manager of Randgold Resources and Metallurgical Manager for Harmony Gold mine. He holds a Bachelor of Science (BSc) degree from the University of the Witwatersrand, South Africa and a Management Development Diploma (MDP) from the University of South Africa.</p>		
Current Board/Committee Membership	Attendance	Attendance (Total)		Other Public Board Memberships
Member of the Board	3 of 6	3 of 6	50%	None
<b>Number of Common Shares Beneficially Owned, Controlled or Directed</b>				3,585,763

RAVI SOOD		Principal Occupation and Biographical Information		
 <p>Ontario, Canada Director Since: October 24, 2007</p>		<p>Mr. Sood is managing director of Signal 8 Limited based in Toronto, Canada. Mr. Sood has been a founder of and the principal investor in several businesses in emerging markets and currently serves as a director of Feronia Inc. and Eve &amp; Co Incorporated, and a director and Executive Chairman and director of the Corporation and Blockchain Power Trust. He was the founder and Chief Executive Officer of Navina Asset Management Inc., a global asset management firm headquartered in Toronto, Canada. Mr. Sood led the investment activities of Navina and its predecessor company, Lawrence Asset Management Inc., from its founding in 2001 until he sold the firm in 2010. Mr. Sood was educated at the University of Waterloo (B.Mathematics) where he was a Descartes Fellow and the recipient of numerous national awards. Mr. Sood is a resident of Ontario, Canada.</p>		
Current Board/Committee Membership	Attendance	Attendance (Total)		Other Public Board Memberships
Member of the Board	6 of 6	10 of 10	100%	Feronia Inc. (TSXV)
Member of the Corporate Governance and Nominating Committee	0 of 0			Blockchain Power Trust (TSXV)
Member of the Audit Committee	4 of 4			Eve & Co Incorporated (TSXV)
Member of the Compensation Committee	0 of 0			
<b>Number of Common Shares Beneficially Owned, Controlled or Directed</b>				7,148,532

<b>DINO TITARO</b>		<b>Principal Occupation and Biographical Information</b>		
 Ontario, Canada	<p>Mr. Titaro has over 30 years of international experience in the mining and exploration mineral resource industry, principally the gold sector. He has been involved in project management, feasibility studies, reserve estimation, due diligence studies, valuation studies, social and environmental permitting processes for mine construction and development and related risk management, and has extensive corporate and operational experience.</p> <p>Mr. Titaro was the founder of Carpathian Gold Inc., a public mineral exploration company listed on the TSX. He was the President and Chief Executive Officer from January 2003 to January 2014, and a director from January 2003 to August 2014. From 1986 to 2003, Dino was President and Chief Executive Officer of A.C.A. Howe International, a geological and mining consulting firm that worked on precious, base and industrial mineral projects throughout the world. From 1980 to 1986 Dino was employed by Getty Mines Ltd. in various supervisory positions as a geologist working on base metal and uranium projects, principally in the resource definition stages.</p> <p>Mr. Titaro currently serves as an independent director on the board of directors of Yamana Gold Inc, a publicly listed TSX mining company and Avidian Gold Corp. a publicly listed TSX-V exploration company. He has also previously been a director and officer of several other publicly traded companies in the mining, industrial and health care technology fields. Mr. Titaro is a geologist with an MSc degree in economic geology from the University of Western Ontario and is a qualified person as defined by National Instrument 43-101 and is registered as a P.Ge in Ontario.</p>			
<b>Current Board/Committee Membership</b>	<b>Attendance</b>	<b>Attendance (Total)</b>		<b>Other Public Board Memberships</b>
N/A	N/A	N/A	N/A	Yamana Gold Inc. (TSX) Avidian Gold Corp. (TSXV)
<b>Number of Common Shares Beneficially Owned, Controlled or Directed</b>				Nil

Corporate Cease Trade Orders

Except as disclosed herein, to the knowledge of the Corporation, no proposed director is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an “**Order**”), which Order was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company.

Each of Amar Bhalla and Ravi Sood was a director of TriNorth Capital Inc. (now Difference Capital Financial Inc.), a reporting issuer that became subject to a cease trade order issued by the Ontario Securities Commission on May 19, 2010 as a result of the failure to file audited annual financial statements for the financial year ended December 31, 2009, the related management's discussion and analysis and the certification of the foregoing filings when due as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*. The order was revoked on July 6, 2010.

Dino Titaro resigned as director of Royal Coal Corp. on May 9, 2012. On May 17, 2012, Royal Coal Corp. announced it received notice that the TSX Venture Exchange had suspended trading its securities because the Ontario Securities Commission had imposed a cease trade order for failure to file financial statements. The cease trade order is still in effect as of the date of this Circular.

On April 16, 2014, the Ontario Securities Commission issued a management cease trade order against the Interim Chief Executive Officer and the Chief Financial Officer of Carpathian Gold Inc. ("**Carpathian**") in connection with Carpathian's failure to file its audited annual financial statements (and related management's discussion and analysis and certifications) for the period ended December 31, 2013. The management cease trade order was lifted on June 19, 2014, following the filing by Carpathian of the required continuous disclosure documents. Mr. Titaro was a former director of Carpathian (did not stand for re-election and ceased to be a director of Carpathian on August 12, 2014) but was a director of Carpathian during the period relating to the management cease trade order.

The Corporation was delisted from the Botswana Stock Exchange (the "**BSE**") effective August 14, 2017 for failure to pay certain fees required by the BSE's listing requirements. The delisting of the Corporation from the BSE followed a temporary suspension of the Corporation's listing on the BSE that was imposed on July 13, 2017.

The foregoing information, not being within the knowledge of the Corporation, has been furnished by the proposed directors.

#### Bankruptcies, or Penalties or Sanctions

To the knowledge of the Corporation, no proposed director:

- (a) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (b) has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets;
- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (d) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

The foregoing information, not being within the knowledge of the Corporation, has been furnished by the proposed directors.

## 2. Appointment of Auditor

Management proposes to nominate PricewaterhouseCoopers LLP (“PwC”), Chartered Professional Accountants as auditor of the Corporation to hold office until the next annual meeting of Shareholders. PwC was appointed as auditor of the Corporation effective November 30, 2016.

**COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP, CHARTERED PROFESSIONAL ACCOUNTANTS, AS AUDITOR OF THE CORPORATION AND THE AUTHORIZING OF THE DIRECTORS TO FIX ITS REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.**

## 3. Approval of Stock Option Plan

### *Summary of Stock Option Plan*

The Stock Option Plan provides that the Board may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants of the Corporation and its affiliates, non-transferable options to purchase Common Shares for a period of up to ten years from the date of grant, provided that the number of Common Shares reserved for issuance may not exceed 10% of the total issued and outstanding Common Shares at the date of the grant.

The purpose of the Stock Option Plan, pursuant to which the Corporation may grant incentive stock options, is to promote the profitability and growth of the Corporation by facilitating the efforts of the Corporation to obtain and retain key individuals. The Stock Option Plan provides an incentive for and encourages ownership of the Common Shares by its key individuals so that they may increase their stake in the Corporation and benefit from increases in the value of the Common Shares. Pursuant to the Stock Option Plan, the maximum number of Common Shares reserved for issuance in any 12 month period to any one optionee other than a consultant may not exceed 5% of the issued and outstanding Common Shares at the date of the grant. The maximum number of Common Shares reserved for issuance in any 12 month period to any consultant may not exceed 2% of the issued and outstanding Common Shares at the date of the grant and the maximum number of Common Shares reserved for issuance in any 12 month period to all persons engaged in investor relations activities may not exceed 2% of the issued and outstanding number of Common Shares at the date of the grant. Incentive stock options may be exercised until the earlier of: (a) the expiry time of such option; and (b) 90 days (or such other period as may be determined by the Board, provided such period is not more than one year) following the date the optionee ceases to be a director, officer or employee of the Corporation or its affiliates or a consultant or a management company employee, provided that if the cessation of such position or arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Notwithstanding the foregoing, in the event of termination for cause, all options held by such terminated optionee will be cancelled immediately. In the event that the Corporation becomes listed on the Toronto Stock Exchange, the Stock Option Plan provides that the Board may grant options which allow an optionee to elect to exercise its option on a “cashless basis”, whereby the optionee, instead of making a cash payment for the aggregate exercise price, shall be entitled to be issued such number of Common Shares equal to the number which results when: (i) the difference between the aggregate Fair Market Value of the Common Shares underlying the option and the aggregate exercise price of such option is divided by (ii) the Fair Market Value of each Common Share. “Fair Market Value” as defined in the Stock Option Plan means the closing price as reported by the Toronto Stock Exchange (in the event that the Corporation becomes listed

on the Toronto Stock Exchange) on the last trading day immediately preceding the exercise date. Options may be granted with a maximum expiry term of 10 years.

As at the date of this Circular, a total of 11,380,476 Common Shares were available for grant and 8,700,000 Common Shares were issuable pursuant to options granted under the Stock Option Plan, representing approximately 4.33% of the issued and outstanding Common Shares.

#### *Approval of the Stock Option Plan*

As the Stock Option Plan provides for a rolling maximum number of Common Shares which may be issuable upon the exercise of options granted under the Stock Option Plan, Exchange Policy 4.4 requires that the Stock Option Plan receive shareholder approval each year at the annual shareholders' meeting. Accordingly, Shareholders will be asked to consider and, if thought appropriate, pass a resolution approving the Stock Option Plan. A copy of the Stock Option Plan is attached as Schedule "B" to this Circular.

The Board has unanimously approved the Stock Option Plan and recommends that Shareholders vote FOR the resolution regarding the Stock Option Plan. An affirmative vote of a majority of the votes cast at the Meeting is sufficient to pass the resolution approving the resolution regarding the Stock Option Plan.

The complete text of the resolution which management intends to place before the Meeting for approval, confirmation and adoption, with or without modification, is as follows:

"WHEREAS the policies of the TSX Venture Exchange require annual shareholder approval for the continuation of the rolling stock option plan of the Corporation (the "**Stock Option Plan**");

RESOLVED THAT:

1. the Stock Option Plan, in the form attached as Schedule "B" to the management information circular of the Corporation dated May 15, 2019, is hereby authorized and approved; and
2. any one officer and director of the Corporation be and is hereby authorized for and on behalf of the Corporation to execute and deliver all such instruments and documents and to perform and do all such acts and things as may be deemed advisable in such individual's discretion for the purpose of giving effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."

**COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE RESOLUTION TO APPROVE THE STOCK OPTION PLAN IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM. AN AFFIRMATIVE VOTE OF A MAJORITY OF THE VOTES CAST BY SHAREHOLDERS AT THE MEETING IS SUFFICIENT FOR THE APPROVAL OF THE STOCK OPTION PLAN.**

#### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

No person or company who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last completed financial year, no proposed nominee for election as a director of the Corporation and no associate or affiliate of any of the foregoing persons has any material

interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Corporation's audited financial statements and Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2018. In addition, copies of the Corporation's annual financial statements and MD&A and this Circular may be obtained upon request to the Corporation. The Corporation may require the payment of a reasonable charge if the request is made by a person who is not a shareholder of the Corporation.

### **APPROVAL OF BOARD OF DIRECTORS**

The contents of this Circular and the sending of it to each director of the Corporation, to the auditor of the Corporation, to the Shareholders and to the appropriate governmental agencies, have been approved by the directors of the Corporation.

Dated: May 15, 2019.

*"Ravi Sood"*  
Ravi Sood  
Chairman

**SCHEDULE "A"**  
**STATEMENT OF GOVERNANCE PRACTICES**

Governance Disclosure Requirement Under the Corporate Governance National Instrument 58-101 ("NI 58-101")	Comments
<b>Board of Directors</b>	
1. Board of Directors—Disclose how the board of directors (the “ <b>Board</b> ”) of Galane Gold Ltd. (the “ <b>Corporation</b> ”) facilitates its exercise of independent supervision over management, including (i) the identity of directors that are independent, and (ii) the identity of directors who are not independent, and the basis for that determination.	The proposed Board shall consist of a total of five directors of which Messrs. Amar Bhalla and Dino Titano are considered “independent”. Each of Messrs. Nicholas Brodie, Ravi Sood and Wayne Hatton-Jones are executive officers of the Corporation.
2. Directorships—If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	Please refer to the accompanying management information circular dated May 15, 2019 (the “ <b>Circular</b> ”) under the heading “Particulars of Matters to be Acted Upon - Election of Directors”.
<b>Orientation and Continuing Education</b>	
3. Describe what steps, if any, the Board takes to orient new Board members, and describe any measures the Board takes to provide continuing education for directors.	Each director ultimately assumes responsibility for keeping himself informed about the Corporation’s business and relevant developments outside the Corporation that affect its business. Management assists directors by providing them with regular updates on relevant developments and other information that management considers of interest to the Board. Directors may also attend other Board committee meetings if they are not active members, to broaden their knowledge base and receive additional information on the Corporation’s business and developments in areas where they are not commonly exposed.
<b>Ethical Business Conduct</b>	
4. Describe what steps, if any, the Board takes to encourage and promote a culture of ethical business conduct.	The Board is responsible for promoting an ethical business culture and fostering an environment that places an emphasis on compliance. The Board monitors compliance, including through receipt by the Audit Committee of reports of unethical behaviour. To ensure that an ethical business culture is maintained and promoted, directors are encouraged to exercise their independent judgment. If a director has a material interest in any transaction or agreement that the Corporation proposes to enter into, such director is expected to disclose such interest to the Board in compliance with the applicable laws, rules and policies which govern conflicts of interest in connection with such transaction or agreement. Further, any director who has a material interest in any proposed transaction or agreement will be excluded from the portion of the Board meeting concerning such matters and will be further precluded from voting on such matters.

<b>Governance Disclosure Requirement Under the Corporate Governance National Instrument 58-101 (“NI 58-101”)</b>	<b>Comments</b>
<b>Nomination of Directors</b>	
5. Disclose what steps, if any, are taken to identify new candidates for Board nomination, including: (i) who identifies new candidates, and (ii) the process of identifying new candidates.	The Board is responsible for the identification and assessment of potential directors. While no formal nomination procedures are in place to identify new candidates, the Board does review the experience and performance of nominees for election to the Board. Members of the Board are canvassed with respect to the qualifications of a prospective candidate and each candidate is evaluated with respect to his or her experience and expertise, with particular attention paid to those areas of expertise that could complement and enhance current management. The Board also assesses any potential conflicts, independence or time commitment concerns that the candidate may present.
<b>Compensation</b>	
6. Disclose what steps, if any, are taken to determine compensation for the directors and officers, including: (i) who determines compensation, and (ii) the process of determining compensation.	The process undertaken by the Board and the Compensation Committee in respect of compensation is more fully described in the “Compensation Discussion and Analysis” section of the accompanying Circular.
<b>Other Board Committees</b>	
7. If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	The Board does not have any standing committees other than the Corporate Governance and Nominating Committee, the Compensation Committee and the Audit Committee.
<b>Assessments</b>	
8. Disclose what steps, if any, that the Board takes to satisfy itself that the Board, its committees, and its individual directors are performing effectively.	The Board is currently responsible for assessing the effectiveness of the Board, the individual directors and the Audit Committee.

## SCHEDULE "B" STOCK OPTION PLAN

### 1. Purpose of the Plan

The purpose of the Plan is to provide the Participants with an opportunity to purchase Common Shares and benefit from the appreciation thereof. This proprietary interest in the Corporation will provide an increased incentive for the Participants to contribute to the future success and prosperity of the Corporation, thus enhancing the value of the Common Shares for the benefit of all the shareholders and increasing the ability of the Corporation and its Subsidiaries to attract and retain individuals of exceptional skill.

### 2. Defined Terms

2.1 Where used herein, the following terms shall have the following meanings (all other capitalized terms used and not defined herein shall have the meanings ascribed to them in the TSX Venture Exchange Corporate Finance Manual):

- (a) “**Acceleration Right**” means the Participant’s right, in certain circumstances, to exercise its outstanding Option as to all or any of the Common Shares in respect of which such Option has not previously been exercised and which the Participant is entitled to exercise, including in respect of Common Shares not otherwise vested at such time;
- (b) “**Board**” means the board of directors of the Corporation;
- (c) “**Business Day**” means each day other than a Saturday, Sunday or statutory holiday in Ontario, Canada;
- (d) “**Common Shares**” means the common shares in the capital of the Corporation or, in the event of an adjustment contemplated by Article 8 hereof, such shares to which a Participant may be entitled upon the exercise of an Option as a result of such adjustment;
- (e) “**Corporation**” means Galane Gold Ltd., and includes any successor corporation thereof;
- (f) “**Exchange**” means the TSX Venture Exchange or, if the Common Shares are not then listed and posted for trading on the TSX Venture Exchange, then on any stock exchange in Canada on which such shares are listed and posted for trading or any other regulatory body having jurisdiction as may be selected for such purpose by the Board;
- (g) “**Exercise Notice**” means the notice in writing signed by the Participant or the Participant’s legal personal representatives addressed to the Corporation specifying an intention to exercise all or a portion of the Option;
- (h) “**Expiry Time**” means the time at which the Options will expire, being 4:00 p.m. (Toronto time) on a date to be fixed by the Board at the time the Option is granted, which date will not be more than ten years from the date of grant;
- (i) “**Fair Market Value**” means, for the purposes of Sections 4.5 and 9.4 hereof, at any date in respect of the Common Shares, the closing price of the Common Shares as reported by the Toronto Stock Exchange on the last trading day immediately preceding such date or, if the Common Shares are not listed on any stock exchange, a price determined by the Board;

- (j) “**Insider**” has the meaning ascribed thereto in the Exchange Corporate Finance Manual;
- (k) “**Option**” means an option to purchase Common Shares from treasury granted by the Corporation to a Participant, subject to the provisions contained herein;
- (l) “**Option Price**” means the price per share at which Common Shares may be purchased under the Option, as the same may be adjusted herein;
- (m) “**Participants**” means the directors, officers and employees of, and consultants to, the Corporation or its Subsidiaries, as defined by the relevant Exchange and, subject to compliance with the applicable requirements of the Exchange, the Personal Holding Companies of such persons, to whom an Option has been granted by the Board pursuant to the Plan and which Option or a portion thereof remains unexercised;
- (n) “**Personal Holding Company**” means a company of which 100% of the voting shares are beneficially owned, directly or indirectly, by a director, officer or employee of, or consultant to, the Corporation or its Subsidiaries and such entity shall be bound by the Plan in the same manner as if the Options were held directly;
- (o) “**Plan**” means this stock option plan of the Corporation, as the same may be amended or varied from time to time;
- (p) “**Subsidiary**” means any corporation that is a subsidiary of the Corporation, as such term is defined under the *Business Corporations Act* (Ontario), as such provision is from time to time amended, varied or re-enacted, or a “related entity” as defined in section 2.22 of National Instrument 45-106; and
- (q) “**Take-Over Bid**” has the meaning ascribed thereto in the *Securities Act* (Ontario), as such provision is from time to time amended, varied or re-enacted.

### 3. Administration of the Plan

- 3.1 The Board shall administer this Plan. Options granted under the Plan shall be granted in accordance with determinations made by the Board pursuant to the provisions of the Plan as to: (a) the Participants to whom and the time or times at which the Options will be granted; the number of Common Shares which shall be the subject of each Option; (b) any vesting provisions attaching to the Option; and (c) the terms and provisions of the respective stock option agreements, provided however, that each director, officer, employee or consultant shall have the right not to participate in the Plan and any decision not to participate therein shall not affect the employment by or engagement with the Corporation. The Board shall ensure that Participants under the Plan are eligible to participate under the Plan, and, if required by the Exchange, shall represent and confirm that the Participant is a bona fide employee, consultant or management company employee (as defined in the policies of the Exchange).
- 3.2 The Board may, from time to time, adopt such rules and regulations for administering the Plan as it may deem proper and in the best interests of the Corporation and may, subject to applicable law, delegate its powers hereunder to administer the Plan to a committee of the Board (the “**Committee**”). The Committee shall be comprised of two or more members of the Board who shall serve at the pleasure of the Board. Vacancies occurring on the Committee shall be filled by the Board.

3.3 The Committee (or the Board where the Committee has not been constituted) shall have the power to delegate to any member of the Board or officer so designated (the “**Administrator**”), the power to determine which Participants are to be granted Options and to grant such Options, the number of Common Shares purchasable under each Option, the Option Price and the time or times when and the manner in which Options are exercisable, and the Administrator shall make such determinations in accordance with the provisions of this Plan and with applicable securities and stock exchange regulatory requirements, subject to final approval by the Committee or Board.

#### **4. Granting of Option**

4.1 Participants may be granted Options from time to time. The grant of Options will be subject to the conditions contained herein and may be subject to additional conditions determined by the Board from time to time. Each Option granted hereunder shall be evidenced by an agreement in writing, signed on behalf of the Corporation and by the Participant, in such form as the Board shall approve from time to time. Each such agreement shall recite that it is subject to the provisions of this Plan.

4.2 The aggregate number of Common Shares of the Corporation allocated and made available to be granted to Participants under the Plan shall not exceed 10% of the issued and outstanding Common Shares of the Corporation as at the date of grant (on a non-diluted basis). Any issuance of Common Shares from treasury pursuant to the exercise of Options shall automatically replenish the number of Common Shares available for Option grants under the Plan. Common Shares in respect of which Options are cancelled or not exercised prior to expiry, for any reason, shall be available for subsequent Option grants under the Plan. No fractional shares may be purchased or issued hereunder.

4.3 The Corporation shall at all times, during the term of the Plan, reserve and keep available such number of Common Shares as will be sufficient to satisfy the requirements of the Plan.

4.4 Any grant of Options under the Plan shall be subject to the following restrictions:

- (a) the aggregate number of Common Shares reserved for issuance pursuant to Options granted to any one Participant, other than a Consultant, in any 12 month period may not exceed 5% of the Corporation’s total issued and outstanding Common Shares, unless disinterested shareholder approval is obtained;
- (b) the aggregate number of Common Shares issuable pursuant to Options granted to Insiders pursuant to the Plan and other security based compensation arrangements may not exceed 10% of the Corporation’s total issued and outstanding Common Shares, unless disinterested shareholder approval is obtained;
- (c) the aggregate number of Common Shares issued to Insiders pursuant to the Plan and other security based compensation arrangements in any 12 month period may not exceed 10% of the Corporation’s total issued and outstanding Common Shares, unless disinterested shareholder approval is obtained;
- (d) no more than 2% of the total issued and outstanding Common Shares at the time of grant may be granted to any one Consultant in any 12 month period; and
- (e) no more than an aggregate of 2% of the total issued and outstanding Common Shares at the time of grant may be granted to all persons engaged to conduct Investor Relations Activities in any 12 month period.

- 4.5 Provided that the Corporation is listed on the Toronto Stock Exchange (the “TSX”) and is in compliance with applicable TSX requirements, the Board may grant Options which allow a Participant to elect to exercise its Option on a “cashless basis”, whereby the Participant, instead of making a cash payment for the aggregate exercise price, shall be entitled to be issued such number of Common Shares equal to the number which results when: (i) the difference between the aggregate Fair Market Value of the Common Shares underlying the Option and the aggregate exercise price of such Option is divided by (ii) the Fair Market Value of each Common Share. For greater certainty, the Options may not be exercised on a “cashless basis” while the Common Shares are listed on the Exchange.
- 4.6 All Options granted pursuant to this Plan shall be subject to rules and policies of the Exchange and any other regulatory body having jurisdiction.
- 4.7 A Participant who has been granted an Option may, if otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional Option if the Board so determines.

## **5. Option Price**

- 5.1 Subject to applicable Exchange approval, the Option Price shall be fixed by the Board at the time the Option is granted to a Participant. In no event shall the price be less than the Discounted Market Price (as defined in the policies of the Exchange). If a press release fixing the price is not issued, the Discounted Market Price is the closing price per Common Share on the Exchange on the last trading day preceding the date of grant on which there was a closing price (less the applicable discount) or, if the Common Shares are not listed on any stock exchange, a price determined by the Board; provided that, if the Board, in its sole discretion, determines that the closing price on the last trading day preceding the date of grant would not be representative of the market price of the Common Shares, then the Board may base the price on the greater of the closing price and the weighted average price per share for the Common Shares for five (5) consecutive trading days ending on the last trading day preceding the date of grant on which there was a closing price on the Exchange. The weighted average price shall be determined by dividing the aggregate sale price of all Common Shares sold on the Exchange during the said five (5) consecutive trading days, by the total number of Common Shares so sold.
- 5.2 Once the Option Price has been determined by the Board, accepted by the Exchange and the Option has been granted, if the Optionee is an Insider, the Option Price may only be reduced if disinterested shareholder approval is obtained; provided that such disinterested shareholder approval is then a requirement of the Exchange or other regulatory body having jurisdiction.

## **6. Term of Option**

- 6.1 The term of the Option shall be a period of time fixed by the Board, not to exceed ten years from the date of grant. Unless the Board determines otherwise, Options shall be exercisable in whole or in part at any time during this period in accordance with such vesting provisions, conditions or limitations (including applicable hold periods) as are herein contained or as the Board may from time to time impose, or as may be required by the Exchange or under applicable securities law.
- 6.2 Each Option and all rights thereunder shall be expressed to expire at the Expiry Time, but shall be subject to earlier termination in accordance with Section 11 hereof.

- 6.3 Subject to any specific requirements of the Exchange, the Board shall determine the vesting period or periods within the Option term, during which a Participant may exercise an Option or a portion thereof.
- 6.4 In addition to any resale restriction under securities laws, an Option may be subject to a four month Exchange hold period commencing on the date the Option is granted.
- 6.5 Except in the case of a Participant's Option that terminates pursuant to Section 11.3 below, in the event that the term of any Option expires within or immediately following a "blackout period" imposed by the Corporation, the Option shall expire on the date (the "**Blackout Expiration Date**") that is ten Business Days following the end of such blackout period. The Blackout Expiration Date shall not be subject to the discretion of the Board.

## **7. Exercise of Option**

- 7.1 Subject to the provisions of the Plan and the terms of any stock option agreement, an Option or a portion thereof may be exercised, from time to time, by delivery of the Exercise Notice to the Corporation's principal office in Toronto, Ontario. The Exercise Notice shall state the intention of the Participant or the Participant's legal personal representative to exercise the said Option or a portion thereof and specify the number of Common Shares in respect of which the Option is then being exercised, and shall be accompanied by the full purchase price of the Common Shares which are the subject of the exercise. Such Exercise Notice shall contain the Participant's undertaking to comply, to the satisfaction of the Corporation, with all applicable requirements of the Exchange and any applicable regulatory authorities.

## **8. Adjustments in Shares**

- 8.1 If the outstanding shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation through a re-organization, plan of arrangement, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, an appropriate and proportionate adjustment shall be made by the Board, in its discretion, in the number or kind of shares optioned and the exercise price per share with respect to: (a) previously granted and unexercised Options or portions thereof; and (b) Options which may be granted subsequent to any such change in the Corporation's capital.
- 8.2 Determinations by the Board as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. The Corporation shall not be obligated to issue fractional securities in satisfaction of any of its obligations hereunder.

## **9. Accelerated Vesting**

- 9.1 In the event that certain events such as a liquidation or dissolution of the Corporation or a re-organization, plan of arrangement, merger or consolidation of the Corporation with one or more corporations, as a result of which the Corporation is not the surviving corporation, or the sale by the Corporation of all or substantially all of the property and assets of the Corporation to another corporation prior to the Expiry Time, are proposed or contemplated, the Board may, notwithstanding the terms of this Plan or any stock option agreements issued hereunder, exercise its discretion, by way of resolution, to permit accelerated vesting of Options on such terms as the Board sees fit at that time. If the Board, in its sole discretion, determines that the Common Shares subject to any Option granted hereunder shall vest on an accelerated basis, all Participants entitled to exercise an unexercised portion of Options then outstanding shall have the right at such time,

upon written notice being given by the Corporation, to exercise such Options to the extent specified and permitted by the Board and within the time period specified by the Board, which shall not extend past the Expiry Time.

- 9.2 An Option may provide that whenever the Corporation's shareholders receive a Take-Over Bid and the Corporation supports this bid, pursuant to which the "offeror" would, as a result of such Take-Over Bid being successful, beneficially own in excess of 50% of the outstanding Common Shares, the Participant may exercise the Acceleration Right. The Acceleration Right shall commence on the date of the mailing of the Board circular recommending acceptance of the Take-Over Bid and end on the earlier of:
- (a) the Expiry Time; and
  - (b) (i) in the event the Take-Over Bid is unsuccessful, the expiry date of the Take-Over Bid; and (ii) in the event the Take-Over Bid is successful, the tenth (10th) day following the expiry date of the Take-Over Bid.
- 9.3 At the time of the termination of the Acceleration Right, the original vesting terms of the Options shall be reinstated with respect to the Common Shares issuable thereunder which were not acquired by the holders of such Options pursuant to the terms thereof. Notwithstanding the foregoing, the Acceleration Right may be extended for such longer period as the Board may resolve.
- 9.4 Provided that the Corporation is listed on the TSX and is in compliance with applicable TSX requirements, the Corporation may satisfy any obligations to a Participant hereunder by paying to the Participant in cash the difference between the exercise price of all unexercised Options granted hereunder and the Fair Market Value of the Common Shares to which the Participant would be entitled upon exercise of all unexercised Options, regardless of whether all conditions of exercise relating to continuous employment have been satisfied.

## **10. Decisions of the Board**

All decisions and interpretations of the Board respecting the Plan or Options granted thereunder shall be conclusive and binding on the Corporation and the Participants and their respective legal personal representatives and on all directors, officers, employees and consultants of the Corporation who are eligible to participate under the Plan.

## **11. Ceasing to be a Director, Officer, Employee or Consultant**

- 11.1 Subject to the terms of the applicable stock option agreements and subject to Section 11.4 hereof, in the event of the Participant ceasing to be a director, officer, employee or consultant of the Corporation or a Subsidiary for any reason other than death, including the resignation or retirement of the Participant or the termination by the Corporation or a Subsidiary of the employment of the Participant, prior to the Expiry Time, such Option (including an Option held by a Participant's Personal Holding Company) may be exercised as to such Common Shares in respect of which the Option has not previously been exercised (and as the Participant would have been entitled to exercise) at any time up to and including (but not after) the earlier of: (a) the Expiry Time; and (b) a date that is ninety (90) days (or such other period as may be determined by the Board, provided that such period is not more than one year) following the effective date of such resignation or retirement or a date that is ninety (90) days (or such other period as may be determined by the Board, provided that such period is not more than one year) following the date notice of termination of employment is given by the Corporation or a Subsidiary, whether such termination is with or

without reasonable notice, and subject to such shorter period as may be otherwise specified in the stock option agreement, after which date the Option shall forthwith expire and terminate and be of no further force or effect whatsoever.

- 11.2 In consideration of the Option hereby granted, in the event of the resignation or retirement of the Participant or the termination of employment by the Corporation without cause, the Participant hereby covenants not to sue the Corporation for damages arising from the loss of rights granted hereunder and releases the Corporation from any damages.
- 11.3 Notwithstanding the foregoing, in the event of termination for cause, such Option (including an Option held by a Participant's Personal Holding Company) shall expire and terminate immediately at the time of delivery of notice of termination of employment for cause to the Participant by the Corporation or a Subsidiary and shall be of no further force or effect whatsoever as to the Common Shares in respect of which an Option has not previously been exercised.
- 11.4 In the event of the death of a Participant on or prior to the Expiry Time, such Option (including an Option held by a Participant's Personal Holding Company) may be exercised as to such of the Common Shares in respect of which such Option has not previously been exercised (and as the Participant would have been entitled to purchase), by the legal personal representatives of the Participant at any time up to and including (but not after) a date one (1) year from the date of death of the Participant, after which date the Option shall forthwith expire and terminate and be of no further force or effect whatsoever.
- 11.5 Options shall not be affected by any change of employment of the Participant where the Participant continues to be employed by the Corporation or any of its Subsidiaries.

## **12. Transferability**

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or to the extent, if any, permitted by the Exchange.

## **13. Amendment or Discontinuance of Plan**

- 13.1 (a) The approval of the Board and the requisite approval from the Exchange and the shareholders shall be required for any of the following amendments to be made to the Plan:
- (i) any increase to the fixed maximum percentage of Common Shares issuable under the Plan;
  - (ii) a reduction in the exercise price or purchase price of an Option (other than for standard anti-dilution purposes) held by or benefiting an Insider;
  - (iii) an increase in the maximum number of Common Shares that may be issued to Insiders within any one year period or that are issuable to Insiders at any time;
  - (iv) an extension of the term of an Option held by or benefiting an Insider;
  - (v) any change to the definition of "Participants" which would have the potential of broadening or increasing Insider participation;

- (vi) the addition of any form of financial assistance;
  - (vii) any amendment to a financial assistance provision which is more favourable to Participants;
  - (viii) provided that the Corporation is listed on the TSX, the addition of a cashless exercise feature, payable in cash or securities which does not provide for a full deduction of the number of underlying securities from the Plan reserve;
  - (ix) the addition of a deferred or restricted share unit or any other provision which results in Participants receiving securities while no cash consideration is received by the Corporation; and
  - (x) any other amendments that may lead to significant or unreasonable dilution in the Corporation's outstanding securities or may provide additional benefits to Participants, especially Insiders, at the expense of the Corporation and its existing shareholders.
- (b) The Board may, without shareholder approval but subject to receipt of requisite approval as required by the Exchange, in its sole discretion make all other amendments to the Plan that are not of the type contemplated in subsection 13.1 (a) above including, without limitation:
- (i) amendments of a housekeeping nature;
  - (ii) a change to the vesting provisions of an Option or the Plan;
  - (iii) a change to the termination provisions of an Option or the Plan which does not entail an extension beyond the original expiry date, except as contemplated in Section 6.5 above; and
  - (iv) provided that the Corporation is listed on the TSX, the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Plan reserve.

#### **14. Participants' Rights**

- 14.1 A Participant shall not have any rights as a shareholder of the Corporation until the issuance of a certificate for Common Shares upon the exercise of an Option or a portion thereof, and then only with respect to the Common Shares represented by such certificate or certificates.
- 14.2 Nothing in the Plan or any Option shall confer upon any Participant any rights to continue in the employ of the Corporation or any Subsidiary or affect in any way the right of the Corporation or any such Subsidiary to terminate the employment of the Participant at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any such Subsidiary to extend the employment of any Participant beyond the time such Participant would normally retire pursuant to the provisions of any present or future retirement plan of the Corporation or any Subsidiary, or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any Subsidiary.

**15. Approvals**

- 15.1 The Plan shall be subject, if applicable, to the approval of the Exchange or other regulatory body having jurisdiction at that time and, if so required thereby, to the approval of the shareholders of the Corporation.
- 15.2 Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless such approval and acceptance is given.

**16. Government Regulation**

- 16.1 The Corporation's obligation to issue and deliver Common Shares under any Option is subject to:
- (a) the satisfaction of all requirements under applicable securities laws in respect thereof and obtaining all regulatory approvals as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
  - (b) the admission of such Common Shares to listing on any stock exchange on which such Common Shares may then be listed; and
  - (c) the receipt from the Participant of such representations, warranties, agreements and undertakings as to future dealings in such Common Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.
- 16.2 In this regard, the Corporation shall take all reasonable steps to obtain such approvals and registrations as may be necessary for the issuance of such Common Shares and for the listing of such Common Shares on the Exchange, in compliance with applicable securities laws. If any shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such shares shall terminate and the Option Price paid to the Corporation will be returned to the Participant.

**17. Costs**

- 17.1 The Corporation shall pay all costs of administering the Plan.

**18. Interpretation**

This Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

**19. Compliance with Applicable Law**

If any provision of the Plan or any Option contravenes any law or any order, policy, by-law or regulation of any regulatory body or the Exchange, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

## **SCHEDULE "C"**

### **AUDIT COMMITTEE CHARTER**

(Implemented pursuant to National Instrument 52-110 – Audit Committees)

National Instrument 52-110 – Audit Committees (the “**Instrument**”) relating to the composition and function of audit committees was implemented for reporting issuers and, accordingly, applies to every TSX Venture Exchange listed company, including the Corporation. The Instrument requires all affected issuers to have a written audit committee charter which must be disclosed, as stipulated by Form 52-110F2, in the management information circular of the Corporation wherein management solicits proxies from the security holders of the Corporation for the purpose of electing directors to the board of directors. The Corporation, as a TSX Venture Exchange-listed company is, however, exempt from certain requirements of the Instrument.

This Charter has been adopted by the board of directors in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Corporation. Nothing in this Charter is intended to restrict the ability of the board of directors or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

### **PART 1**

#### **Purpose:**

The purpose of the Committee is to:

- (a) improve the quality of the Corporation’s financial reporting;
- (b) assist the board of directors to properly and fully discharge its responsibilities;
- (c) provide an avenue of enhanced communication between the directors and external auditors;
- (d) enhance the external auditor’s independence;
- (e) increase the credibility and objectivity of financial reports; and
- (f) strengthen the role of the directors by facilitating in depth discussions between directors, management and external auditors.

#### **1.1 Definitions**

“**accounting principles**” has the meaning ascribed to it in National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency;

“**Affiliate**” means a Corporation that is a subsidiary of another Corporation or companies that are controlled by the same entity;

“**audit services**” means the professional services rendered by the Corporation’s external auditor for the audit and review of the Corporation’s financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

“**Charter**” means this audit committee charter;

“**Committee**” means the committee established by and among certain members of the board of directors for the purpose of overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation;

“**Control Person**” means any individual or company that holds or is one of a combination of individuals or companies that holds a sufficient number of any of the securities of the Corporation so as to affect materially the control of the Corporation, or that holds more than 20% of the outstanding voting shares of the Corporation except where there is evidence showing that the holder of those securities does not materially affect the control of the Corporation;

“**financially literate**” has the meaning set forth in Section 1.2;

“**immediate family member**” means a person’s spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the person or the person’s immediate family member) who shares the individual’s home;

“**Instrument**” means National Instrument 52-110 – Audit Committees;

“**MD&A**” has the meaning ascribed to it in National Instrument 51-102;

“**Member**” means a member of the Committee;

“**National Instrument 51-102**” means National Instrument 51-102 - Continuous Disclosure Obligations; and

“**non-audit services**” means services other than audit services.

## **1.2 Meaning of Financially Literate**

For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

## **PART 2**

### **2.1 Audit Committee**

The board of directors has hereby established the Committee for, among other purposes, compliance with the Instrument.

### **2.2 Relationship with External Auditors**

The Corporation will require its external auditor to report directly to the Committee and the Members shall ensure that such is the case.

### **2.3 Committee Responsibilities**

1. The Committee shall be responsible for making the following recommendations to the board of directors:

- (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; and
  - (b) the compensation of the external auditor.
2. The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting. This responsibility shall include:
- (a) reviewing the audit plan with management and the external auditor;
  - (b) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;
  - (c) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
  - (d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
  - (e) reviewing audited annual financial statements, in conjunction with the report of the external auditor, and obtaining an explanation from management of all significant variances between comparative reporting periods;
  - (f) reviewing the post-audit or management letter, containing the recommendations of the external auditor, and management's response and subsequent follow up to any identified weakness;
  - (g) reviewing interim unaudited financial statements before release to the public;
  - (h) reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report and management's discussion and analysis;
  - (i) reviewing the evaluation of internal controls by the external auditor, together with management's response;
  - (j) reviewing the terms of reference of the internal auditor, if any;
  - (k) reviewing the reports issued by the internal auditor, if any, and management's response and subsequent follow up to any identified weaknesses; and
  - (l) reviewing the appointments of the chief financial officer and any key financial executives involved in the financial reporting process, as applicable.
3. The Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the issuer's external auditor.

4. The Committee shall review the Corporation's financial statements, MD&A, and annual and interim earnings press releases before the Corporation publicly discloses this information.
5. The Committee shall ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and shall periodically assess the adequacy of those procedures.
6. When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Instrument 51-102, and the planned steps for an orderly transition.
7. The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in National Instrument 51-102, on a routine basis, whether or not there is to be a change of auditor.
8. The Committee shall, as applicable, establish procedures for:
  - (a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
  - (b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.
9. As applicable, the Committee shall establish, periodically review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer, as applicable.
10. The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.

#### **2.4 De Minimis Non-Audit Services**

The Committee shall satisfy the pre-approval requirement in subsection 2.3(3) if:

- (a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the issuer and its subsidiary entities to the issuer's external auditor during the financial year in which the services are provided;
- (b) the Corporation or the subsidiary of the Corporation, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
- (c) the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

## **2.5 Delegation of Pre-Approval Function**

1. The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(3).
2. The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 2.5(1) must be presented to the Committee at its first scheduled meeting following such pre-approval.

## **PART 3**

### **3.1 Composition**

1. The Committee shall be composed of a minimum of three Members.
2. Every Member shall be a director of the issuer.
3. The majority of Members shall not be employees, Control Persons or officers of the Corporation.
4. If practicable, given the composition of the directors of the Corporation, each Member shall be financially literate.
5. The board of directors of the Corporation shall appoint or re-appoint the Members after each annual meeting of shareholders of the Corporation.

## **PART 4**

### **4.1 Authority**

Until the replacement of this Charter, the Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the Committee;
- (c) communicate directly with the internal and external auditors; and
- (d) recommend the amendment or approval of audited and interim financial statements to the board of directors.

## **PART 5**

### **5.1 Disclosure in Information Circular**

If management of the Corporation solicits proxies from the security holders of the Corporation for the purpose of electing directors to the board of directors, the Corporation shall include in its management information circular the disclosure required by Form 52-110F2 (Disclosure by Venture Issuers).

**PART 6**

**6.1 Meetings**

1. Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.
2. Opportunities shall be afforded periodically to the external auditor, the internal auditor and to members of senior management to meet separately with the Members.
3. Minutes shall be kept of all meetings of the Committee.