

# **GOLD** **MINING**

(Formerly Brazil Resources Inc.)

**FORM 51-102F6V**

**STATEMENT OF EXECUTIVE COMPENSATION**

**For the Year Ended November 30, 2016**

May 19, 2017

**GoldMining Inc.**

(Formerly Brazil Resources Inc.)

Statement of Executive Compensation

For the year ended November 30, 2016



The following information dated as of May 19, 2017, is presented in accordance with National Instrument Form 51-102F6V – *Statement of Executive Compensation*, and sets forth the annual compensation for services in all capacities to GoldMining Inc. (the "**Corporation**") and its subsidiaries in respect of the individuals comprised of the Chief Executive Officer, the Chief Financial Officer and the President (together, the "**Named Executive Officers**" or "**NEOs**"), and of the directors of the Corporation as of the financial year ended November 30, 2016.

**Director and NEO Compensation, Excluding Compensation Securities**

The following table sets out all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Corporation to each NEO and director, in any capacity, for the two most recently completed financial years. Compensation securities are disclosed herein under the heading "*Stock Options and Other Compensation Securities and Instruments*".

Compensation Excluding Compensation Securities							
Name and position	Year <sup>(1)</sup>	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Garnet Dawson <i>Chief Executive Officer</i>	2016	108,010	Nil	Nil	Nil	Nil	108,010
	2015	108,000	Nil	Nil	Nil	Nil	108,000
Pat Obara <i>Secretary, Chief Financial Officer and Director</i> <sup>(2)</sup>	2016	43,122	Nil	Nil	Nil	Nil	43,122
	2015	33,372	Nil	Nil	Nil	Nil	33,372
Paulo Pereira <i>President</i>	2016	93,931	Nil	Nil	Nil	Nil	93,931
	2015	113,872	Nil	Nil	Nil	Nil	113,872
Amir Adnani <i>Director (Chairman)</i>	2016	102,500	Nil	Nil	Nil	Nil	102,500
	2015	103,000	Nil	Nil	Nil	Nil	103,000
Mario Garnero <i>Director</i>	2016	69,770	Nil	Nil	Nil	Nil	69,770
	2015	64,837	Nil	Nil	Nil	Nil	64,837
David Kong <i>Director</i>	2016	9,750	Nil	Nil	Nil	Nil	9,750
	2015	12,875	Nil	Nil	Nil	Nil	12,875
Gloria Ballesta <i>Director</i>	2016	7,800	Nil	Nil	Nil	Nil	7,800
	2015	10,300	Nil	Nil	Nil	Nil	10,300
Hon. Herb Dhaliwal <i>Director</i>	2016	9,750	Nil	Nil	Nil	Nil	9,750
	2015	12,875	Nil	Nil	Nil	Nil	12,875

## Notes:

(1) Financial year ended November 30.

(2) Amounts stated reflect the annual salary received by Mr. Obara in his capacity as Chief Financial Officer. Mr. Obara did not receive any compensation for services as a director.

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**Stock Options and Other Compensation Securities and Instruments**

The following table sets out all compensation securities granted or issued to each NEO and director by the Corporation for services provided or to be provided, directly or indirectly, to the Corporation in the most recently completed financial year.

Compensation Securities							
Name and position	Type of compensation security <sup>(1)</sup>	Number of compensation securities, number of underlying securities <sup>(2)</sup> , and percentage of class <sup>(3)</sup>	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Garnet Dawson <sup>(4)</sup> <i>Chief Executive Officer</i>	Stock Options	150,000 / 5.06%	01-Apr-16	0.73	0.73	2.07	01-Apr-21
Pat Obara <sup>(5)</sup> <i>Secretary, Chief Financial Officer and Director</i>	Stock Options	150,000 / 5.06%	01-Apr-16	0.73	0.73	2.07	01-Apr-21
Paulo Pereira <sup>(6)</sup> <i>President</i>	Stock Options	150,000 / 5.06%	01-Apr-16	0.73	0.73	2.07	01-Apr-21
Amir Adnani <sup>(7)</sup> <i>Director (Chairman)</i>	Stock Options	125,000 / 4.22%	01-Apr-16	0.73	0.73	2.07	01-Apr-21
Mario Garnero <sup>(8)</sup> <i>Director</i>	Stock Options	125,000 / 4.22%	01-Apr-16	0.73	0.73	2.07	01-Apr-21
David Kong <sup>(9)</sup> <i>Director</i>	Stock Options	100,000 / 3.38%	01-Apr-16	0.73	0.73	2.07	01-Apr-21
Gloria Ballesta <sup>(10)</sup> <i>Director</i>	Stock Options	35,000 / 1.18%	01-Apr-16	0.73	0.73	2.07	01-Apr-21
Hon. Herb Dhaliwal <sup>(11)</sup> <i>Director</i>	Stock Options	75,000 / 2.53%	01-Apr-16	0.73	0.73	2.07	01-Apr-21

**Notes:**

- (1) Vesting as to 25% on each day which is 3, 6, 9 and 12 months from the date of grant.
- (2) Each stock option entitles the holder to one common share upon exercise.
- (3) Percentage based on an aggregate of 2,962,000 stock options of the Corporation outstanding as at November 30, 2016.
- (4) Mr. Dawson held an aggregate of 250,000 stock options as at November 30, 2016.
- (5) Mr. Obara held an aggregate of 250,000 stock options as at November 30, 2016.
- (6) Mr. Pereira held an aggregate of 250,000 stock options as at November 30, 2016.
- (7) Mr. Adnani held an aggregate of 275,000 stock options as at November 30, 2016.
- (8) Mr. Garnero held an aggregate of 275,000 stock options as at November 30, 2016.
- (9) Mr. Kong held an aggregate of 200,000 stock options as at November 30, 2016.
- (10) Ms. Ballesta held an aggregate of 85,000 stock options as at November 30, 2016.
- (11) Hon. Dhaliwal held an aggregate of 100,000 stock options as at November 30, 2016.

***Exercise of Compensation Securities***

The following table provides a summary of each exercise of compensation securities by each NEO and director of the Corporation for the most recently completed financial year.

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Exercise of Compensation Securities							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Garnet Dawson <i>Chief Executive Officer</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Pat Obara <i>Secretary, Chief Financial Officer and Director</i>	Stock Options	70,000	1.20	27-Sep-16	2.91	1.71	119,700.00
Paulo Pereira <i>President</i>	Stock Options	100,000	1.20	27-Sep-16	2.91	1.71	171,000.00
Amir Adnani <i>Director (Chairman)</i>	Stock Options	150,000	1.20	27-Sep-16	2.91	1.71	256,500.00
Mario Garnerio <i>Director</i>	Stock Options	150,000	1.20	03-Oct-16	2.87	1.67	250,500.00
David Kong <i>Director</i>	Stock Options	50,000	1.20	25-Jul-16	2.63	1.43	71,500.00
Gloria Ballesta <i>Director</i>	Stock Options	20,000	1.20	27-Sep-16	2.91	1.71	34,200.00
Hon. Herb Dhaliwal <i>Director</i>	Stock Options	25,000 75,000 100,000	1.10 0.71 1.30	02-May-16 02-May-16 24-May-16	1.65 1.65 1.45	0.55 0.94 0.15	13,750.00 70,500.00 15,000.00

**Stock Option Plans and Other Incentive Plans**

The Corporation has no incentive plan other than the stock option plan (the "**Option Plan**"). The board of directors of the Corporation first implemented the Option Plan on January 28, 2011, as amended and restated on October 30, 2012, October 11, 2013 and October 18, 2016. The Option Plan was originally adopted by the shareholders of the Corporation (the "**Shareholders**") on August 31, 2011 and most recently, the Option Plan, as amended, was ratified and approved by the Shareholders on November 23, 2016. In accordance with the policies of the TSX Venture Exchange (the "**Exchange**"), a rolling plan requires the approval of the Shareholders on an annual basis. Accordingly, the Corporation will be seeking the approval of its Shareholders to the ratification of the Option Plan at its next Annual General Meeting of Shareholders.

The purpose of the Option Plan is to attract, retain and motivate qualified directors, executives, employees and consultants and to reward them for their contributions toward the goals and success of the Corporation. Pursuant to the terms of the Option Plan, the board of directors may designate directors, senior officers, employees and consultants of the Corporation eligible to receive stock options (the "**Options**") to acquire such numbers of common shares as the board of directors may determine, each Option so granted being for a term specified by the board of directors up to a maximum of five years from the date of grant. The maximum number of common shares reserved for issuance for Options granted

under the Option Plan at any time is 10% of the issued and outstanding common shares in the capital of the Corporation. As at the date hereof, the Corporation had 118,615,324 common shares.

In accordance with its terms, in no case may the grant of Options under the Option Plan result in: (i) the grant to any one individual, within any 12-month period (unless the Corporation has obtained disinterested Shareholder approval) of Options reserving for issuance a number of common shares exceeding in the aggregate 5% of the issued and outstanding common shares; (ii) the grant to all persons engaged by the Corporation to provide investor relations activities, within any twelve month period, of Options reserving for issuance a number of common shares exceeding in the aggregate 2% of the issued and outstanding common shares; or (iii) the grant to any one consultant, in any twelve month period, of Options reserving for issuance a number of common shares exceeding in the aggregate 2% of the issued and outstanding common shares. As of the date hereof, 5,810,500 Options have been issued and 3,305,000 Options remain outstanding under the Option Plan.

The price at which a holder of Options (an "**Optionholder**") may purchase common shares upon the exercise of an Option is determined by the board of directors, provided that such exercise price cannot be less than the "market price" of the common shares subject to the maximum discount permitted by the Exchange on the last trading day prior to the date on which such Options are granted. Options granted under the Option Plan may contain vesting provisions at the discretion of the board of directors of the Corporation.

Subject to certain exceptions, an Option will not be exercisable unless the Optionholder remains an eligible director, senior officer, employee or consultant continuously throughout the term of such Option. Should the Optionholder cease to be an eligible director, senior officer, employee or consultant of the Corporation during the term of an Option for any reason other than death or cause, the Option will be exercisable for a maximum of ninety days thereafter. If an Optionholder dies during the term of an Option, such Option will be exercisable by the executor or administrator of the Optionholder's estate for a maximum of one year following such death. Should the Optionholder cease to be an eligible director, senior officer, employee, consultant or management company employee of the Corporation or any of its subsidiaries as a result of having been dismissed from any such position for cause, all unexercised Options of such Optionholder under the Option Plan shall immediately become terminated and shall lapse, notwithstanding the original term of the Option granted to such Optionholder under the Option Plan.

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

The Corporation and its subsidiaries do not have any employment, consulting or management agreements with any of the Corporation's NEOs or directors. Neither the Corporation nor its subsidiaries have a contract agreement, plan or arrangement that provides for payments to an NEO following or in connection with any change of control of the Corporation or any of its subsidiaries, severance, termination or constructive dismissal.

### **Oversight and Description of Director and NEO Compensation**

According to the Corporation's Articles, the Corporation's directors are entitled to receive remuneration for serving on the board of directors as the board of directors or the Shareholders may from time to time determine, and the Corporation is required to reimburse each director for reasonable expenses that he or she may incur in and about the business of the Corporation. The Corporation's directors may award special remuneration, without confirmation of same by Shareholders, to any director undertaking any special services on the Corporation's behalf other than routine work ordinarily required of a director, and

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such remuneration will be in addition to any other remuneration that such director may be entitled to receive. Unless the Shareholders determine otherwise, the board of directors may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Corporation and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

The goal of the Corporation's executive compensation philosophy is to attract, motivate, retain and reward an energetic, goal driven, highly qualified and experienced management team and to encourage them to meet and exceed performance expectations within a calculated risk framework. The Compensation Committee periodically reviews the adequacy and form of compensation to ensure it realistically reflects the responsibilities and risks involved in being an effective director or officer and that compensation allows the Corporation to attract qualified candidates.

The compensation program is designed to reward each executive based on individual, business and corporate performance and is also designed to incent such executives to drive the annual and long-term business goals of the organization to enhance the sustainable profitability and growth of the Corporation.

The following key principles guide the Corporation's overall compensation philosophy:

- compensation is designed to align executives to the critical business issues facing the Corporation;
- compensation is fair and reasonable to Shareholders and is set with reference to the local market;
- the compensation design supports and rewards executives for entrepreneurial and innovative efforts and results;
- an appropriate portion of total compensation is equity-based, aligning the interests of executives with Shareholders; and
- compensation is transparent to the board of directors, executives and Shareholders.

The Corporation does not assess its compensation through benchmarks or peer groups at this time. When reviewing the compensation of executive officers, the Compensation Committee considers the following objectives:

- to engage individuals critical to the growth and success of the Corporation;
- to reward performance of individuals by recognizing their contributions to the Corporation's growth and achievements; and
- to compensate individuals based on performance.

The Corporation has taken steps to ensure its executive compensation program does not incent risk outside the Corporation's risk appetite. Some of the risk management initiatives currently employed by the Corporation are as follows:

- appointing a Compensation Committee comprised of a majority of independent directors to oversee the executive compensation program; and
- use of discretion in adjusting bonus payments (if any) up or down as the Compensation Committee deems appropriate and recommends.

For executive officers who are offered compensation, such compensation is primarily comprised of a base salary, bonus and options to purchase common shares.

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*Salary:* For executive officers who are offered compensation, the base salary is the foundation of such compensation and is intended to compensate competitively. The desire is for base salary to be high enough to secure talented personnel which, when coupled with performance based compensation, provides for a direct correlation between individual accomplishment and the success of the Corporation as a whole.

*Bonus:* Annual bonuses are variable components of compensation, designed to reward executives for corporate, business and individual achievements. Annual bonuses (if any) are discretionary and are designed to reflect the Corporation's annual achievement of its business strategy as well as individual achievements.

*Options:* The Option Plan provides that the board of directors may from time to time, in its discretion, grant Options to directors, officers, employees and consultants of the Corporation, or any subsidiary of the Corporation. For information in respect of the Option Plan, please refer to the section entitled "*Stock Option Plan and Other Incentive Plans*".

The Compensation Committee makes recommendations to the board of directors regarding the periodic grant of Options to key employees and executive officers. The Compensation Committee makes those recommendations on a discretionary basis, given the size of the Corporation, based on individual performance, positions held within the Corporation and the overall performance of the Corporation. The Compensation Committee takes into consideration previous grants when it considers new grants of Options to employees and executives of the Corporation.

**Pension Plan Benefits**

The Corporation does not presently provide any defined benefit or pension plan to its directors, executive officers, employees or consultants.