

HIGHWAY 50 GOLD CORP.

Form 51-102F6V - Statement of Executive Compensation - Venture Issuers

The following information pertaining to Highway 50 Gold Corp. (the "**Corporation**" or "**Highway 50**") is presented pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations* in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* ("**Form 51-102F6V**") for the Corporation's financial year ended December 31, 2019.

GENERAL

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

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

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

"**named executive officer**" or "**NEO**" means each of the following individuals:

- (a) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as CEO, including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as CFO, including an individual performing functions similar to a CFO;
- (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 as determined in accordance with subsection 1.3(5) of Form 51-102F6V for that financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of that financial year.

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

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

Currency

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

COMPENSATION OF NAMED EXECUTIVE OFFICERS AND DIRECTORS

During the Corporation's financial year ended December 31, 2019, the Corporation's named executive officers were: (i) Gordon P. Leask, CEO, President and a director of the Corporation; and (ii) Scott Davis, CFO of the Corporation.

Table of Compensation Excluding Compensation Securities

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation or a subsidiary of the Corporation to each NEO and director of the Corporation in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or a director of the Corporation for services provided and for services to be provided, directly or indirectly, to the Corporation or a subsidiary of the Corporation, for each of the Corporation's two (2) most recent completed financial years.

The Corporation does not have any share-based award plans, non-equity long-term incentive plans, or any defined benefit or defined contribution pension plans for its NEOs.

Name and Position	Fiscal Year Ended December 31	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	All other Compensation ⁽¹⁾ (\$)	Total Compensation (\$)
Gordon P. Leask President, CEO and Director	2019 2018	120,000 ⁽²⁾ 120,000 ⁽²⁾	Nil Nil	Nil Nil	Nil Nil	120,000 120,000
Scott Davis CFO	2019 2018	36,000 ⁽³⁾ 36,000 ⁽³⁾	Nil Nil	Nil Nil	Nil Nil	36,000 36,000
John M. Leask Director	2019 2018	120,000 ⁽⁴⁾ 120,000 ⁽⁴⁾	Nil Nil	Nil Nil	Nil Nil	120,000 120,000
Megan Cameron-Jones Corporate Secretary and Director	2019 2018	60,000 ⁽⁵⁾ 60,000 ⁽⁵⁾	Nil Nil	Nil Nil	Nil Nil	60,000 60,000
Bassam Moubarak Director	2019 2018	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Peter Krag-Hansen Director	2019 2018	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

Notes:

- (1) The value of perquisites received by each named executive officer and director, including property or other personal benefits provided that are not generally available to all employees, was not in the aggregate greater than \$15,000 of each named executive officer's and each director's total salary for the financial year.
- (2) Represents consulting fees paid to a private company controlled by Mr. Gordon Leask for his position of President and CEO of the Corporation. See *"EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS, INCLUDING TERMINATION AND CHANGE OF CONTROL BENEFITS"*. Of this amount, \$120,000 for each year remains owing.
- (3) This amount was paid to Cross Davis & Co. LLP, an accounting firm of which Mr. Davis, the CFO of the Corporation, is a partner, for accounting services.
- (4) Represents consulting fees paid to a private company controlled by Mr. John Leask. See *"EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS, INCLUDING TERMINATION AND CHANGE OF CONTROL BENEFITS"*. Of this amount, \$120,000 for each year remains owing.
- (5) Represents consulting fees paid to Megan Cameron-Jones in her capacity as Corporate Secretary of the Corporation. Of this amount, \$60,000 for each year remains owing.

OPTION-BASED AWARDS

As at December 31, 2019, the Corporation did not have any share-based award plans for its NEOs.

During the fiscal year ended December 31, 2019, no incentive stock options were re-priced, cancelled and replaced, had their terms extended, or otherwise been materially modified.

During the fiscal year ended December 31, 2019, no incentive options were granted to directors and NEOs by the Corporation or its subsidiaries.

The following table sets out the option-based awards made by the Corporation to the NEO's and directors which were outstanding as at December 31, 2019:

Option-based Awards					
Name and position	Number of common shares underlying unexercised options	Date of issue or grant	Option exercise price (\$)	Value of unexercised options at year-end ⁽¹⁾ (\$)	Expiry date
Gordon P. Leask CEO and Director	400,000 300,000	Feb 3, 2015 May 17, 2018	0.40 0.25	Nil Nil	Feb 3, 2020 ⁽²⁾ May 17, 2023
Scott Davis CFO	50,000 100,000	May 6, 2016 May 17, 2018	0.25 0.25	Nil Nil	May 6, 2021 May 17, 2023
Megan Cameron-Jones Corporate Secretary and Director	275,000 300,000	Feb 3, 2015 May 17, 2018	0.40 0.25	Nil Nil	Feb 3, 2020 ⁽²⁾ May 17, 2023
John M. Leask Director	400,000 300,000	Feb 3, 2015 May 17, 2018	0.40 0.25	Nil Nil	Feb 3, 2020 ⁽²⁾ May 17, 2023
Bassam Moubarak Director	200,000 100,000	May 6, 2016 May 17, 2018	0.25 0.25	Nil Nil	May 6, 2021 May 17, 2023
Peter Krag-Hansen Director	100,000	Feb 3, 2015	0.40	Nil	Feb 3, 2020 ⁽²⁾

Note:

- (1) Value of unexercised in-the-money options is calculated based upon the difference between the market value of the Corporation's common shares as at December 31, 2019 of \$0.08 (closing price on the TSX Venture Exchange) and the exercise price of the options.
- (2) Options expired subsequent to the financial year ended December 31, 2019.

EXERCISE OF OPTION-BASED AWARDS BY DIRECTORS AND NEOS

No compensation securities were exercised by the directors and named executive officers of the Corporation and its subsidiaries during the financial year ended December 31, 2019.

STOCK OPTION PLANS AND OTHER INCENTIVE PLANS

Stock Option Plans and other Incentive Plans

The Corporation currently has in place a "rolling" stock option plan (the "**Plan**") pursuant to which the Corporation may grant stock options to directors, officers, employees and consultants of the Corporation and its subsidiaries at exercise prices to be determined by the market value of the common shares in the capital of the Corporation (each, a "**Share**") at the date of each grant of options. Any grant of options under the Plan is within the discretion of the board of directors of the Corporation (the "**Board**"), subject to the condition that the maximum number of Shares which may be issuable under the Plan shall not exceed 10% of the Corporation's issued and outstanding Shares at the time of the grant. In addition, the number of Shares which may be issuable under the Plan within a one year period: (i) to any one individual shall not exceed 5% of the outstanding issued Shares; and (ii) to a consultant or an employee

performing investor relations activities, shall not exceed 2% of the outstanding issued Shares. Vesting of options is made at the discretion of the Board at the time the options are granted, with the exception of options granted in connection with investor relations. Options granted to consultants engaged in investor relations activities must vest no earlier than as to one-quarter upon the grant date and as to a further one-quarter after each of the following three four-month periods.

In accordance with the policies of the TSX Venture Exchange (the “TSXV”), “rolling 10% stock option plans” must be approved annually at the annual meeting by the shareholders of the Corporation. Accordingly, the Corporation will be seeking the approval of its shareholders to the ratification of the Plan at the annual meeting of the shareholders of the Corporation to be held by December 31, 2020. The Plan was last approved by the shareholders at the Corporation’s annual general and special meeting held on December 6, 2019.

EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS, INCLUDING TERMINATION AND CHANGE OF CONTROL BENEFITS

The Corporation has entered into consulting agreements with private companies controlled by each of Gordon P. Leask and John M. Leask (the “**Consulting Agreements**”). See “*TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES*”.

The Consulting Agreements continue on a month-to-month basis until terminated by the applicable consultant or the Corporation. The consultants are entitled to participate in the Plan and also agree to keep the Corporation's information confidential during the term of the Consulting Agreements and indefinitely after the Consulting Agreements are terminated so long as such information remains confidential. The Consulting Agreements may be terminated by the Corporation at any time upon 15 months’ payment, and may also be terminated by the applicable consultant at any time if the Corporation fails to perform its obligations as described in the applicable Consulting Agreement. Additionally, following a Change of Control (as defined in the applicable Consulting Agreement), the applicable consultant has the right to voluntarily terminate its services under the applicable Consulting Agreement for any reason within 60 days following the effective date of a Change of Control and will be entitled to a lump sum payment calculated by multiplying the Consulting Fee (as defined in the applicable Consulting Agreement) by 24. In addition, any stock options granted to the Consultant will accelerate and vest on the Consultant’s voluntary termination date following the Change of Control. If any of the Consulting Agreements are terminated for any reason other than a Change of Control, there is no automatic resulting acceleration of, or any other benefit relating to, any stock options held by the optionholder.

If the Consulting Agreements were terminated by the Corporation at December 31, 2019 without cause, the termination payment payable thereunder to Messrs. Gordon P. Leask and John M. Leask would have been \$150,000, respectively. If the Consulting Agreements were terminated by the Corporation at December 31, 2019 following a Change of Control, the termination payment payable thereunder to Messrs. Gordon P. Leask and John M. Leask would have been \$240,000, respectively.

DIRECTOR COMPENSATION

John M. Leask, Megan Cameron-Jones, Bassam Moubarak and Peter Krag-Hansen were the directors of the Corporation who are not also named executive officers during the year ended December 31, 2019. The Corporation’s Board reviews directors' compensation from time to time as considered appropriate having regard to current trends in directors' compensation and compensation data for directors of issuers of comparative size to Highway 50. The Corporation does not currently pay any cash compensation to its directors for services rendered in their capacities as directors of the Corporation or for committee participation. Directors are entitled to receive compensation from the Corporation to the extent that they provide other services to the Corporation and such compensation is based on rates that would be charged by such directors for such services to arm’s length parties. Members of the Board are entitled to stock options granted pursuant to the Plan. The Corporation reimburses directors for all reasonable expenses incurred in order to attend meetings.

OVERSIGHT AND DESCRIPTION OF DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Named Executive Officer Compensation

The Board determines named executive officer compensation at the time of the engagement of an NEO and, if applicable, at the time an NEO enters into a management services agreement with the Corporation. Compensation payable to an NEO is subsequently reviewed at the discretion of the Board from time to time. The objectives of the Company's executive compensation policy are to attract and retain individuals of high caliber to serve as officers of the Corporation, to motivate their performance in order to achieve the Corporation's strategic objectives and to align the interests of executive officers with the long-term interests of the Corporation's shareholders. The Corporation's primary compensation policy is to pay for performance and, accordingly, the performance of the Corporation and its named executive officers are both examined by the Board.

For the Corporation's financial year ended December 31, 2019, the significant elements of compensation paid and awarded to each of the named executive officers were consulting fees accrued indirectly to Mr. Gordon P. Leask and Mr. John M. Leask, consulting fees accrued directly to Ms. Megan C. Jones, and accounting fees of \$36,000 paid indirectly to Mr. Scott Davis. See "*COMPENSATION OF NAMED EXECUTIVE OFFICERS AND DIRECTORS*".

The Corporation paid base compensation in the form of consulting fees to Mr. Gordon Leask that is competitive with that of comparable companies in the mineral exploration industry. The base compensation payable to Mr. Leask was determined at the time the Corporation entered into the Consulting Agreement. See "*EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS, INCLUDING TERMINATION AND CHANGE OF CONTROL BENEFITS*". The base compensation was determined by the Board by comparing the base compensation of Mr. Leask with that of executive officers of surveyed peer companies in the mineral exploration industry to ensure that the base compensation paid to Mr. Leask is consistent with the industry average for such position while attempting to adjust for the Corporation's size. The following companies comprised the peer companies surveyed by the Corporation: Nevada Exploration Inc., Miranda Gold Corp., Sonoro Metals Corp., Colorado Resources Ltd. and Prosper Gold Corp. The Board considered the peer companies to be relevant as the total assets, total level of capital expenditures, total operating and general and administrative expenses and number of employees of each of the peer companies is similar to that of the Corporation. The Board has also used a lower base compensation for its senior management to take into account the equity positions of these individuals.

Compensation Discussion and Analysis

Executive Compensation Principles

Our compensation program is based on a "pay-for-performance" philosophy which supports the Corporation's commitment to delivering performance for Highway 50 Shareholders. Our compensation policies are founded on the principle that compensation should be aligned with Highway 50 Shareholders' interests, while also recognizing that Highway 50's corporate performance is dependent upon retaining highly trained, experienced and committed executive officers, employees and directors who have the necessary skill sets, education, experience and personal qualities required to manage our business. Our program also recognizes that the various components thereof must be sufficiently flexible to adapt to unexpected developments in the mineral exploration industry and the impact of internal and market-related occurrences from time to time.

Our executive compensation program is comprised of the following principal components: (a) base salary; (b) short-term incentive compensation comprised of discretionary cash bonuses; and (c) long-term incentive compensation comprised of share options. Together, these components support our long-term growth strategy and are designed to address the following key objectives of our compensation program:

- align executive compensation with Highway 50 Shareholders' interests;
- attract and retain highly qualified management; and
- focus performance by linking incentive compensation to the achievement of business objectives and financial and operational results.

The aggregate value of these principal components and related benefits, is used as a basis for assessing the overall competitiveness of the Corporation's executive compensation package. When determining executive compensation, including the assessment of the competitiveness of the Corporation's compensation program, management and the Board reviews the compensation practices of companies in its selected peer group. These companies compete with Highway 50 for executive talent, operate in a similar business environment and are of similar size, scope and complexity.

The Corporation's peer group for these purposes is comprised of similar companies that are exploring and/or developing mining projects, and that have market capitalizations roughly similar to that of the Corporation.

The Corporation's compensation program is primarily designed to reward performance and, accordingly, the performance of both the Corporation, as well as the individual performance of executive officers during the year in question, are examined by the Board in conjunction with setting executive compensation packages. The Board does not set specific performance objectives in assessing the performance of the CEO and other executive officers; rather the Board uses its experience and judgment in determining an overall compensation package for the CEO and other executive officers. Some of the factors looked at by the Board in assessing the performance of the Corporation and its executive officers are as follows: (a) exploration successes; (b) additions to mineral resources; (c) ability to raise capital as required; (d) compliance with legal and regulatory requirements; and (e) ability to raise the profile of the Corporation within the investment community. The Corporation weighs and reviews its performance for all of the above relative to its goals and objectives and in relation to the performance of its industry peer group.

Elements of our Executive Compensation Program

Each element of the Corporation's executive compensation program is described in more detail below.

Base Salaries

The base salary component is intended to provide a fixed level of competitive pay that reflects each executive officer's primary duties and responsibilities. It also provides a foundation upon which performance-based incentive compensation elements are assessed and established. The Corporation intends to pay base salaries to its executive officers, including the CEO, that are in the range of those for similar positions within our selected peer group. For our executive officers, base salaries are currently below the average of our comparison peer group but are considered to be high enough to accomplish the intended objectives. Salaries of the executive officers, including that of the CEO, are reviewed annually by the Board.

Short Term Incentive Compensation – Discretionary Cash Bonuses

In addition to base salaries, the Corporation has a discretionary bonus plan pursuant to which the Board may award annual cash bonuses to executive officers. The annual cash bonus element of the executive compensation program is designed to reward both corporate and individual performance during the Corporation's last completed financial year. It is the Board's philosophy that an individual bonus should be tied primarily to that individual's contribution to corporate performance. In addition, the discretionary bonus plan is intended to help ensure that overall executive cash compensation (i.e. salary and bonus) is comparable to the average cash compensation of executives at peer surveyed companies during the year in question. The amount of the bonus paid is not set in relation to any formula or specific criteria but is the result of a subjective determination of the Corporation's and the individual's performance. The Board has not established strict predetermined quantitative performance criteria linked to the payment of bonuses.

Long Term Incentive Compensation – Stock Options

Executive officers, along with all of Highway 50's officers, directors, employees, contractors and other service providers, are eligible to participate in the Plan. The Plan and the Shares reserved thereunder have been approved by the shareholders of Highway 50. The Plan promotes an ownership perspective among executives, encourages the retention of key executives and provides an incentive to enhance shareholder value by furthering the Corporation's success. As with most companies in the Corporation's peer group, options form an integral component of the total compensation package provided to the Corporation's executive officers. Participation in the Plan rewards overall

corporate performance, as measured through the price of the Shares. In addition, the Plan enables executives to develop and maintain a significant ownership position in the Corporation.

Options to purchase the Shares are normally awarded by the Board upon the commencement of an individual's employment with the Corporation based on the level of responsibility within the Corporation. Additional grants may be made periodically to ensure that the number of options granted to any particular individual is commensurate with the individual's level of ongoing responsibility within the Corporation. In considering additional grants, we evaluate the number of options an individual has been granted, the exercise price and value of the options and the term remaining on those options.

PENSION PLAN BENEFITS

The Corporation does not have in place any pension plan or similar benefit program that provides for payments or benefits to its directors and NEOs at, following or in connection with retirement.