

PENTANOVA ENERGY CORP.
("the Company")

FORM 51 – 102F6
STATEMENT OF EXECUTIVE COMPENSATION
(for the year ended December 31, 2017)

For the purpose of this Statement of Executive Compensation:

"**Chief Executive Officer**" or "**CEO**" of the Corporation means an individual who acted as chief executive officer of the Corporation or acted in a similar capacity for any part of the financial year ended December 31, 2017.

"**Chief Financial Officer**" or "**CFO**" of the Corporation means an individual who acted as chief financial officer of the Corporation or acted in a similar capacity for any part of the financial year ended December 31, 2017.

"**closing market price**" means the price at which the Corporation's security was last sold, on the applicable date, in the security's principal marketplace in Canada.

"**equity incentive plan**" means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of Section 3870 of the Handbook of the Canadian Institute of Chartered Accountants, as amended from time to time.

"**executive officer**" of the Corporation means an individual who at any time during the financial year ended December 31, 2017 was:

- (a) a chair, vice-chair or president of the Corporation;
- (b) a vice-president of the Corporation in charge of a principal business unit, division or function including sales, finance or production; or
- (c) performing a policy-making function in respect of the Corporation.

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

"**incentive plan award**" means compensation awarded, earned, paid or payable under an incentive plan.

"**Named Executive Officers**" or "**NEOs**" means the following individuals:

- (a) each CEO;
- (b) each CFO;
- (c) each of the Corporation's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the financial year ended December 31, 2017 whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each additional individual who would be a NEO under (c) above, but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of the financial year ended December 31, 2017.

"**non-equity incentive plan**" means an incentive plan or portion of an incentive plan that is not an equity incentive plan.

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

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

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

STATEMENT OF EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

The compensation of the Corporation's Named Executive Officers has been established with a view to attracting and retaining executives critical to the Corporation's short and long-term success and to continue providing executives with compensation that is in accordance with existing market standards generally and competitive within the mining industry, in particular.

Compensation of the Corporation's Named Executive Officers is comprised of a base salary and the grant of options to purchase common shares under the Corporation's stock option plan (as more particularly described below). Through its executive compensation practices, the Corporation seeks to provide value to its shareholders through a strong executive leadership. Specifically, the Corporation's executive compensation structure seeks to attract and retain talented and experienced executives necessary to achieve the Corporation's strategic objectives, motivate and reward executives whose knowledge, skills and performance are critical to the Corporation's success, align the interests of the Corporation's executives and shareholders by motivating executives to increase shareholder value.

Within the context of the overall objectives of the Corporation's compensation practices, the Corporation determined the specific amounts of compensation to be paid to each of its executives during the year ended December 31, 2017 based on a number of factors, including the Corporation's understanding of the amount of compensation generally paid by similarly situated companies to their executives with similar roles and responsibilities; the Corporation's executive performance during the fiscal year, the roles and responsibilities of the Corporation's executives, the individual experience and skills of, and expected contributions from, the Corporation's executives, the Corporation's executives' historical compensation and performance within the Corporation, and any contractual commitments the Corporation has made to its executives regarding compensation.

The board of directors of the Corporation (the "Board of Directors" or "Board") has not conducted a formal evaluation of the implications of the risks associated with the Corporation's compensation policies. Risk management is a consideration of the Board of Directors when implementing its compensation policies and the Board of Directors do not believe that the Corporation's compensation policies result in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Corporation.

Base Salary

The Corporation's approach is to pay its executives a base salary that is competitive with those of other executive officers in similar companies. The Corporation believes that a competitive base salary is a necessary element of any compensation program that is designed to attract and retain talented and experienced executives. The Corporation also believes that attractive base salaries can motivate and reward executives for their overall performance. The Corporation has not entered into any management agreements with its executive officers.

Option Based Awards

The Corporation has in effect a stock option plan (the "**Stock Option Plan**") in order to provide effective incentives to directors, officers, senior management personnel, employees and consultants of the Corporation and to enable the Corporation to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Corporation's Shareholders. The Corporation has no equity compensation plans other than the Stock Option Plan. The Stock Option Plan is an important part of the Corporation's long-term incentive strategy for its executive officers, permitting them to participate in any 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 stock option grants to officers is dependent on each officer's level of responsibility, authority and importance to the Corporation and the degree to which such executive officer's long term contribution to the Corporation will be key to its long-term success. Previous grants of stock options are taken into account when considering new grants. The Corporation also grants options to charitable organizations as part of its commitment to social responsibility. An aggregate of 22,187,500 stock options were granted under the Corporation's Stock Option Plan during the financial year ended December 31, 2017. As at December 31, 2017, an aggregate of 22,896,427 stock options were outstanding and exercisable under the Stock Option Plan.

Use of Financial Instruments

The Corporation does not have a policy that would prohibit a Named Executive Officer or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director. However, management is not aware of any Named Executive or director purchasing such an instrument.

Named Executive Officers Compensation

In accordance with the provisions of applicable securities legislation, the Corporation had eight (8) Named Executive Officers during the financial year ended December 31, 2017 namely Luciano Biondi, Gregg Vernon, Warren Levy, Chris Reid, Francisco Bustillos, David Farrell, Jessica Van Den Akker and Harpreet Dhaliwal.

The following table sets out certain information respecting the compensation paid to the Named Executive Officers of the Corporation during the financial year ended December 31, 2017. These individuals are referred to collectively as "Named Executive Officers" or "NEOs". All amounts are presented in US Dollars "\$", unless otherwise denoted to be in Canadian Dollars "C\$".

SUMMARY COMPENSATION TABLE

NEO Name And Principal Position	Financial Year ended December 31	Salary (\$)	Share- based awards (\$)	Option- based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other comp- ensation (\$)	Total comp- ensation (\$)
					Annual incenti ve plans	Long- term incentive plans			
Luciano Biondi CEO	2017	212,185	N/A	579,350 ⁽⁶⁾	N/A	N/A	N/A	N/A	579,350
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gregg Vernon President	2017	213,940	N/A	579,350 ⁽⁶⁾	N/A	N/A	N/A	N/A	579,350
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Warren Levy President, Argentinian Operations	2017	150,000	N/A	463,480 ⁽⁶⁾	N/A	N/A	N/A	N/A	463,480
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Chris Reid CFO	2017	150,000	N/A	463,480 ⁽⁶⁾	N/A	N/A	N/A	N/A	463,480
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Francisco Bustillos VP of Administration & Corporate Development	2017	165,448	N/A	289,675 ⁽⁶⁾	N/A	N/A	N/A	N/A	289,675
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
David Farrell ⁽¹⁾ CEO	2017	Nil	Nil	Nil	N/A	N/A	N/A	N/A	N/A
	2016	Nil	Nil	60,629 ⁽⁴⁾⁽⁶⁾	N/A	Nil	N/A	N/A	60,629
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Harpreet Dhaliwal ⁽²⁾ Former CFO	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2016	Nil	Nil	17,832 ⁽⁵⁾⁽⁶⁾	Nil	Nil	Nil	Nil	17,832
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jessica Van Den Akker ⁽³⁾ Former CFO	2017	Nil	N/A	Nil	N/A	N/A	N/A	N/A	Nil
	2016	Nil	N/A	N/A	N/A	N/A	N/A	N/A	Nil
	2015	Nil	N/A	N/A	N/A	N/A	N/A	N/A	Nil

Notes:

(1) David Farrell served as the Chief Executive Officer of the Corporation from May 120, 2016 to April 4, 2017 and has served as a director of the Corporation from May 20, 2016 to May 29, 2017.

- (2) *Harpreet Dhaliwal served as the Chief Financial Officer of the Corporation from May 20, 2016 to January 4, 2017.*
- (3) *Jessica Van Den Akker served as Chief Financial Officer of the Corporation from January 4, 2017 to April 4, 2017.*
- (4) *On August 22, 2016, Mr. Farrell was granted an option to purchase 170,000 common shares of the Corporation at a price of C\$0.61 each for a period of ten years. This amount represents the estimated fair value of these 170,000 options using the Black-Scholes option pricing model assuming a risk-free interest rate of 0.82%, an expected life of 10 years, a 75% annualized volatility rate, and a 0.00% dividend rate.*
- (5) *Ms. Dhaliwal's options expired on January 4, 2018.*
- (6) *For this option award, the fair value of awards on the grant date reflects the number of options awarded multiplied by the grant date fair value price calculated using the Black-Scholes valuation methodology, including the key assumptions and estimates as described in the Corporation's audited financial statements for the year ended December 31, 2017.*

INCENTIVE PLAN AWARDS

The following table sets forth information concerning all awards outstanding at the end of the financial year ended December 31, 2017 for each Named Executive Officer.

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS TABLE

NEO Name	Option-based Awards				Share-based Awards ⁽¹⁾		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Luciano Biondi	2,000,000 ⁽¹⁾	0.80	08-Aug-27	Nil ⁽²⁾	N/A	N/A	N/A
Gregg Vernon	2,000,000 ⁽¹⁾	0.80	08-Aug-27	Nil ⁽²⁾	N/A	N/A	N/A
Warren Levy	1,600,000 ⁽¹⁾	0.80	08-Aug-27	Nil ⁽²⁾	N/A	N/A	N/A
Chris Reid	1,600,000 ⁽¹⁾	0.80	08-Aug-27	Nil ⁽²⁾	N/A	N/A	N/A
Francisco Bustillos	1,000,000 ⁽¹⁾	0.80	08-Aug-27	Nil ⁽²⁾	N/A	N/A	N/A
David Farrell	170,000	0.61	22-Aug-26	Nil ⁽²⁾	N/A	N/A	N/A
Harpreet Dhaliwal	50,000	0.61	22-Aug-26 ⁽³⁾	Nil ⁽²⁾	N/A	N/A	N/A
Jessica Van Den Akker	Nil	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) *The Corporation granted 22,187,500 options to acquire common shares at a price of C\$0.80 per common share during the financial year ended December 31, 2017*
- (2) *No options are "in the money" as the closing market price of the common shares of the Corporation on the TSX Venture Exchange (the "Exchange") on December 29, 2017 of C\$0.385 is below the stock option exercise price.*
- (3) *Ms. Dhaliwal's stock options expired on January 4, 2018.*

Incentive Plan Awards – Value Vested or Earned During the Year Ended December 31, 2017

Although an aggregate of 8,200,000 stock options were granted to the aforesaid Named Executive Officers during the year ended December 31, 2017, the market price of the common shares on the date of grant did not exceed the exercise

price and, accordingly, the value vested or earned was nil. None of the Named Executive Officers exercised their stock options during the year ended December 31, 2017.

PENSION PLAN BENEFITS

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Corporation and none are proposed at this time.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Pursuant to an Employment Agreement dated March 2, 2017 between the Company and Mr. Luciano Biondi, the Chief Executive Officer of the Company, the Company agreed to pay to Mr. Biondi a base salary of US\$240,000 per annum. In the event that Mr. Biondi is terminated by the Company not for cause, the Company must pay Mr. Biondi a termination fee equal to two times his base salary. In the event that there is a change of control of the Company (as defined in the agreement) and Mr. Biondi elects to terminate his employment with the Company within 180 days of the change of control, or if the agreement is terminated by the Company within one year following the change of control, the Company must pay Mr. Biondi a termination fee equal to three times his then current annual base salary. In addition, Mr. Biondi would be entitled to have all benefit plans continued for a period of 12 months after termination, and his then existing stock options would become fully vested and remain exercisable for the original term granted.

Pursuant to a Contractor Agreement dated March 2, 2017 between the Company and Major Bay Corporate Ltd. (the "Contractor"), the Company agreed to retain Mr. Gregg Vernon as President of the Company and to pay to Major Bay Corporate fees of US\$14,000 per month. In the event that the Contractor is terminated by the Company not for cause, the Company must pay the Contractor a termination fee equal to two times its then annual fees calculated on the basis of annual fees of US\$240,000. In addition, the post-termination exercise period of Mr. Vernon's existing stock options would be extended to the earlier to occur of one year from the date of termination and the original expiration date of the stock options. In the event that there is a change of control of the Company (as defined in the agreement) and a triggering event (as defined in the agreement) occurs within one year of the change of control and the Contractor elects to thereafter terminate the agreement, or if the agreement is terminated without just cause within one year following the change in control, the Company must pay the Contractor a termination fee equal to three times its then annual fees calculated on the basis of annual fees of US\$240,000. The right to receive termination and change of control payments vest as to 1/3 on execution of the agreement, 1/3 on December 31, 2017 and 1/3 on December 31, 2018.

Pursuant to an Employment Agreement dated March 2, 2017 between the Company and Mr. Warren Levy, the President, Argentinian Operations for the Company, the Company agreed to pay to Mr. Levy a base salary of US\$180,000 per annum. In the event that Mr. Levy is terminated by the Company not for cause, the Company must pay Mr. Levy a termination fee equal to two times his base salary. In the event that there is a change of control of the Company (as defined in the agreement) and Mr. Levy elects to terminate his employment with the Company within 180 days of the change of control, or if the agreement is terminated by the Company within one year following the change of control, the Company must pay Mr. Levy a termination fee equal to three times his then current annual base salary. In addition, Mr. Levy would be entitled to have all benefit plans continued for a period of 12 months after termination, and his then existing stock options would become fully vested and remain exercisable for the original term granted.

Pursuant to an Employment Agreement dated March 2, 2017 between the Company and Mr. Christopher Reid, the Chief Financial Officer for the Company, the Company agreed to pay to Mr. Reid a base salary of US\$180,000 per annum. In the event that Mr. Reid is terminated by the Company not for cause, the Company must pay Mr. Reid a termination fee equal to two times his base salary. In the event that there is a change of control of the Company (as defined in the agreement) and Mr. Reid elects to terminate his employment with the Company within 180 days of the change of control, or if the agreement is terminated by the Company within one year following the change of control, the Company must pay Mr. Reid a termination fee equal to three times his then current annual base salary. In addition, Mr. Reid would be entitled to have all benefit plans continued for a period of 12 months after termination, and his then existing stock options would become fully vested and remain exercisable for the original term granted.

Pursuant to an Employment Agreement dated March 2, 2017 between the Company and Mr. Francisco Bustillos, the Vice President of Administration & Corporate Development of the Company, the Company agreed to pay to Mr. Bustillos a base salary of US\$180,000 per annum. In the event that Mr. Bustillos is terminated by the Company not

for cause, the Company must pay Mr. Bustillos a termination fee equal to two times his base salary. In the event that there is a change of control of the Company (as defined in the agreement) and Mr. Bustillos elects to terminate his employment with the Company within 180 days of the change of control, or if the agreement is terminated by the Company within one year following the change of control, the Company must pay Mr. Bustillos a termination fee equal to three times his then current annual base salary. In addition, Mr. Bustillos would be entitled to have all benefit plans continued for a period of 12 months after termination, and his then existing stock options would become fully vested and remain exercisable for the original term granted.

All Agreements include standard insurance, non-competition and confidentiality provisions.

DIRECTOR COMPENSATION

During the financial year ended December 31, 2017, the Corporation had 1 director which was also a Named Executive Officer of the Corporation, namely David Farrell. The following table sets out the amounts of compensation paid to the directors of the Corporation that were not NEOs of the Corporation during the financial year ended December 31, 2017. All amounts are presented in US Dollars "\$", unless otherwise denoted to be in Canadian Dollars "C\$".

DIRECTORS COMPENSATION TABLE

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Serafino Iacono	Nil	Nil	579,350 ⁽¹⁾	Nil	Nil	Nil	579,350
Frank Giustra	Nil	Nil	217,256 ⁽¹⁾	Nil	Nil	Nil	217,256
Gordon Keep	Nil	Nil	217,256 ⁽¹⁾	Nil	Nil	Nil	217,256
Jeffrey Scott	Nil	Nil	217,256 ⁽¹⁾	Nil	Nil	Nil	217,256
Ian Telfer ⁽²⁾	Nil	Nil	144,838 ⁽¹⁾	Nil	Nil	Nil	144,838
Jaime Perez Branger	Nil	Nil	217,256 ⁽¹⁾	Nil	Nil	Nil	217,256
Susannah Pierce	32,091 ⁽⁶⁾	Nil	217,256 ⁽¹⁾	Nil	Nil	Nil	249,347
Hernan Martinez	Nil	Nil	217,256 ⁽¹⁾	Nil	Nil	Nil	217,256
Francisco Sole	Nil	Nil	217,256 ⁽¹⁾	Nil	Nil	Nil	217,256
David Farrell ⁽⁵⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ravinder Kang ⁽³⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Thomas O'Neill ⁽⁴⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) The Corporation granted 22,187,500 option-based awards during the financial year ended December 31, 2017.
- (2) Ian Telfer served as a director of the Corporation from May 29, 2017 to July 9, 2017.
- (3) Ravinder Kang served as a director of the Corporation from May 20, 2016 to April 4, 2017.
- (4) Thomas O'Neill served as a director of the Corporation from May 20, 2016 to April 4, 2017.
- (5) David Farrell served as a director of the Corporation from May 20, 2016 to May 29, 2017.
- (6) Susannah Pierce received \$32,091 fees with respect to her role as a director.

Except as stated above, the Corporation does not have any other arrangements pursuant to which directors are compensated by the Corporation or its subsidiaries for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts during the financial year ended December 31, 2017 or subsequently, up to and including the date of this Information Circular.

The Corporation has the Stock Option Plan for the granting of incentive stock options to the directors, officers, employees and consultants. The purpose of granting options pursuant to the Stock Option Plan is to assist the Corporation in compensating, attracting, retaining and motivating the directors, officers, employees and consultants

of the Corporation and to closely align the personal interests of such persons to that of the shareholders. See "Particulars of Other Matters to be Acted Upon – Adoption of New Option Plan".

SHARE-BASED AWARDS, OPTION-BASED AWARDS AND NON-EQUITY PLAN COMPENSATION

The following table sets forth information concerning all awards outstanding at the end of the financial year ended December 31, 2017, for each Director of the Corporation.

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS TABLE

Name	Option-based Awards				Share-based Awards ⁽¹⁾		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Serafino Iacono	2,000,000 ⁽¹⁾	0.80	8-Aug-27	Nil ⁽²⁾	N/A	N/A	N/A
Frank Giustra	750,000 ⁽¹⁾	0.80	8-Aug-27	Nil ⁽²⁾	N/A	N/A	N/A
Gordon Keep	750,000 ⁽¹⁾	0.80	8-Aug-27	Nil ⁽²⁾	N/A	N/A	N/A
Jeffrey Scott	750,000 ⁽¹⁾	0.80	8-Aug-27	Nil ⁽²⁾	N/A	N/A	N/A
Ian Telfer ⁽³⁾	500,000 ⁽¹⁾	0.80	8-Aug-27	Nil ⁽²⁾	N/A	N/A	N/A
Jaime Perez Branger	750,000 ⁽¹⁾	0.80	8-Aug-27	Nil ⁽²⁾	N/A	N/A	N/A
Susannah Pierce	750,000 ⁽¹⁾	0.80	8-Aug-27	Nil ⁽²⁾	N/A	N/A	N/A
Hernan Martinez	750,000 ⁽¹⁾	0.80	8-Aug-27	Nil ⁽²⁾	N/A	N/A	N/A
Francisco Sole	750,000 ⁽¹⁾	0.80	8-Aug-27	Nil ⁽²⁾	N/A	N/A	N/A

Notes:

- (1) The Corporation granted 22,187,500 option-based awards during the financial year ended December 31, 2017.
- (2) No options are "in the money" as the closing market price of the common shares of the Corporation on the Exchange on December 29, 2017 of C\$0.385 is below the stock option exercise price.
- (3) Mr. Telfer served as a director of the Corporation from May 29, 2017 to July 9, 2017.

Incentive Plan Awards – Value Vested or Earned During the Year Ended December 31, 2017

Although an aggregate of 7,750,000 stock options were granted to the aforesaid directors during the year ended December 31, 2017, the market price of the common shares on the date of grant did not exceed the exercise price and, accordingly, the value vested or earned was nil. None of the directors exercised their stock options during the year ended December 31, 2017.

MANAGEMENT CONTRACTS

Management functions of the Corporation or any of its subsidiaries are not to any substantial degree performed by a person other than the directors or executive officers of the Corporation.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out particulars of the compensation plans under which equity securities of the Corporation are authorized for issuance as of December 31, 2017. The Corporation completed a share consolidation on the basis of one post-consolidation common share for every seventy pre-consolidation common shares on June 14, 2016. All figures reflect the share consolidation.

EQUITY COMPENSATION PLAN INFORMATION

Plan Category	A Number of securities to be issued upon exercise of outstanding options, warrants and rights	B Weighted average exercise price of outstanding options, warrants and rights	C Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column A)
Equity compensation plans approved by securityholders ⁽¹⁾	22,896,427	\$ 0.80	1,323,733
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
TOTALS:	22,896,427	\$ 0.80	1,323,733

Note:

(1) *Represents the Stock Option Plan of the Corporation. As at December 31, 2017, the Stock Option Plan reserved shares equal to a maximum of 10% of the issued and outstanding common shares of the Corporation from time to time for issue pursuant to the Stock Option Plan.*

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than "routine indebtedness" as defined in applicable securities legislation, since January 1, 2017, being the beginning of the fiscal year of the Corporation ended December 31, 2017, none of:

- (a) the executive officers, directors, employees and former executive officers, directors and employees of the Corporation or any of its subsidiaries;
- (b) the proposed nominees for election as a director of the Corporation; or
- (c) any associates of the foregoing persons;

is or has been indebted to the Corporation or any of its subsidiaries or has been indebted to any other entity where that indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, and which was not entirely repaid on or before the date of this information circular.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No person who has been a director, senior officer or insider of the Corporation, no proposed nominee for director 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 matters to be acted upon at the Meeting other than the election of directors or the approval of the new control person.